
**INNOVATIONS AND TRENDS IN
FINANCIAL SYSTEM**

INNOVATIONS AND TRENDS IN FINANCIAL SYSTEM

Editors:

Rathi K.N.

Kamalraj Mohan



PRATHAM PUBLICATIONS

New Delhi

Innovations and Trends in Financial System

© **Author**

Edition 2019

ISBN : 978-93-88742-13-9

Published by :

Pratham Publications

4228/1, Ansari Road

Darya Ganj,

New Delhi - 110 002

Ph.: 011-23266109.

Fax : 91-011-23283267

e-mail: prathampublications30@gmail.com

Typesetting by :

Sanya Computers

(Mob: 9810458150)

Delhi - 110053

Printed and Bound in India

Preface

This edited book '*Fedha*'—A Light in to new ways of Finance, aims to present the real picture of the research in the field of Finance in Rural Kerala. The major findings of articles in the book lead to the knowledge of real world of investment in the eyes of rural population. It involves a great effort of more than fifty research minds in different subthemes of Finance like Behavioural Finance, corporate finance and Banking services.

The expected audience of the book consists of researchers, research students, Practitioners and investors.

We would like to convey our appreciation to all the contributors including the authors of the Chapters in this book.

Our special thanks to our Head of the department Prof. Bindu T. for her continuous support and great effort to bringing the book in to fruition. We expresses here our sincere gratitude to Dr. E. Jayan principal of our institution who motivated us for this endeavour.

This book - Fedha - is to be published as part of a national seminar on Financial Derivatives and the meaning of Swahili word Fedha is FINANCE...

Foreword



It makes immense pleasure that a new academic horizon is being opened up for the enrichment and refinement of the knowledge base, offers a new realm of academic excellence to meet the challenges in the contemporary global scenario of Commerce & Management. Since it is a quality oriented endeavor in the form of a Research publication as a part of the National Seminar on 'Financial Derivatives', this can provide a valuable academic base, culture and quality among the teachers, research scholars and seekers in the concerned field. The selection of research articles pertaining to such a vibrant and dynamic area could transform the beneficiaries by a new academic experience and exposure. It is really a valuable and remarkable academic contribution of the Department of Commerce to bridge the gap to a certain extent in the related academic space. Hope that let it be a mile stone in the glorious academic path of the institution leading to the highest goal and fulfillment in the field of higher education.

V.K. Muralidharan

(M.Com, MBA, M.Sc (Psy) & MA (Busi Eco)

Head of the PG Dept of Commerce & Management Studies

SNGS College, Pattambi, Palakkad Dt, Kerala-679 306

Message from Principal



“Fedha (finance) is always considered as wealth and knowledge. Here I appreciate the cordial spirit of the department of Commerce for achieving new destination.”

Dr. E. Jayan

Contents

Preface	(v)
Foreword	(vii)
	<i>Pages</i>
1. Digital Banking System—The Best Bank in the World — <i>Akhila K.H., Hima P.</i>	1
2. Sovereign Gold Bond: A Platform for Innovation — <i>Athira C.K., Sreejith V.</i>	8
3. Awareness of Individuals towards Financial News — <i>Anjali C.M., Swathi S.</i>	14
4. Risk Return Analysis of Selected Listed Companies in Pharmaceutical Sector: An Empirical Study — <i>Arya P.S.</i>	19
5. Challenges and Opportunities of Mutual Fund in India — <i>Ajitha V.R., Rajisha M.K.</i>	27
6. Internet Users, Perspectives on Internet Banking : A Study Among Salaried Persons — <i>Bindu T.</i>	34
7. A Comparative Analysis of Selected Mutual Funds in India — <i>Dr. Asish</i>	42
8. Attitude of Subscribers Towards APY Scheme with Special Reference to Palakkad District — <i>Anu A.M., Nimisha Gopal P.G.</i>	49
9. Life Insurance Business in India: A Growth Analysis — <i>Deepak K.S. Dr. Mukesh P.</i>	55
10. Innovative Ways to Encourage Personal Savings of Rural Household — <i>Arathi S. Nair , Sabitha P.S. and Ranjitha C.</i>	67
11. Investors Perception towards Selected Investment Avenues — <i>Neethu R., Aiswarya K., Rajani M., and Sheeja M.T.</i>	77

12. Insurance Regulatory and Development Authority of India (IRDAI) Migrate to Risk Based Capital (RBC) Regime — <i>Manjula M.</i>	84
13. The Effectiveness of RSBY (Rashtriya Swasthya Bima Yojana) among Beneficiaries with Special Reference to Nilambur Taluk — <i>Geetha K.</i>	96
14. Development Pattern of Financial Derivatives with Special Reference to Indian Stock Market — <i>Madhava Sadasivan P.</i>	104
15. A Study on Public Awareness Mutual Fund Investment — <i>Drishyadas, Sumisha P.P. and Vishnu K.</i>	112
16. A Descriptive Study on Corporate Restructuring Different Techniques Used in Corporate Restructuring — <i>Nisha P.</i>	123
17. A Comparative Study on Customer Satisfaction Regarding Internet Banking Service Provided by SBI and ICICI — <i>Jyothilakshmi E., Shyamala M.</i>	131
18. Personal Budgeting among the Bank Employees of Palakkad District — <i>Kamal Raj Mohan</i>	142
19. Study on the Relationship between Stock Price and Rupee Dollar Parity — <i>Meghna C.K.</i>	149
20. A Comparative Study on the Stock Market Volatility Regarding IT Industry & Banking Industry — <i>Manjula T.V.</i>	154
21. Role of Microfinance in Promoting Small and Medium Enterprises (SME) — <i>Sangeetha N.G., Vishnupriya P.</i>	166
22. Loan Repayment Habits of SBI Customers — <i>Priyalakshmi K.R., Sagar A.P. and Jishnu C.M.</i>	171
23. Investment Preference of Government Employees on Various Avenues with Special Reference to Palakkad District — <i>Rohini S., Aparna P.</i>	180

24. Green Accounting in Indian Perspective	188
— <i>Reshma K.P.</i>	
25. Tax Planning Practices Among Individual Assets	193
— <i>Ranjini V.</i>	
26. Retirement Planning Behaviour of Working Women : Impact of Education and Financial Goal	199
— <i>P. Divya</i>	
27. Investors Perception towards Selected Financial Products with Special Reference to Alathur Taluk	207
— <i>Ramya John, Anitha U.</i>	
28. Financial Literacy among Rural Population of Palakkad	213
— <i>Rathi K.N.</i>	
29. Railway Working Women Perception Towards Investment Avenues—A Study in Shoranur Junction	222
— <i>Rekha P.T.</i>	
30. Impact of FDI on Insurance Sector in India	229
— <i>Roshna C. Silpa A.</i>	
31. Insurance for Agriculture: Innovations and Challenges in India	234
— <i>Sruthi N., John Mathew</i>	
32. Emergence of Crypto Currency—Prospects and Challenges	239
— <i>Sreeraj M.K.</i>	
33. Investors Attitude Towards Systematic Investment Plan	245
— <i>Saranya C.M.</i>	
34. The Growth and Development of Green Bonds in India	259
— <i>Surabhi V., Sadeep K.,</i>	
35. Savings and Investment Habits of MGNREG Women Workers with Special Reference to Mannarkkad Municipality	265
— <i>Saritha P.K., Aparna P.</i>	
36. Importance of Ethics in Banking	275
— <i>Sinu M.</i>	
37. Reverse Mortgage Loan : A SWOT Analysis	281
— <i>Soumya C.M., Ambili A.</i>	
38. India Post Payment Bank: A Conceptual Study	286
— <i>Sreekumar R. Abhijith M.</i>	

39. Performance Evaluation of Nationalized Banks Using CAMELS Rating Model	291
— <i>Sooraj A.M., Swathy N., Parvathy C.N.</i>	
40. IMF Growth Prospects for India	304
— <i>Sarath S., Sreedath P.A.</i>	
41. “Angel Investors” An Ignored Source for Business Funding	310
— <i>Vaisakh Nandan Jyothi P.R.</i>	
42. Perception of Security Market Investors Towards Risk and Return	317
— <i>Vidya K., Sajitha Guptha C.S.</i>	
43. An Overview to Green Investment	325
— <i>Vinaya P., Athira N.S.</i>	

About the Authors

Rathi K.N. is currently working as Assistant Professor, PG Department of Commerce and Management studies, Sreekrishnapuram V.T. Bhattathiripad College Mannampatta, Palakkad, affiliated to University of Calicut. She had acted as resource person in Several state level and National level Seminars and one workshop on research methodology & SPSS. She had presented research papers in National and International Seminars in the field of Commerce /education and had published research articles in National and international journals and co-edited two books on topics related to Commerce & Management studies. Her area of interest includes Research Methodology, Indian Financial system and be Organizational Behaviour.



Kamalraj Mohan is currently working as Assistant Professor, PG Department of Commerce and Management studies, Sreekrishnapuram V.T. Bhattathiripad College Mannampatta, Palakkad, affiliated to University of Calicut. He has ten years of teaching experience in Education and one year experience in the field of Commerce education. He is very much interested in Human resource Management, Organizational Behaviour. He has presented research papers in National and international seminars and published articles in National journals.



8

Attitude of Subscribers Towards APY Scheme with Special Reference to Palakkad District

Anu A.N.

Assistant Professor,
Sreekrishnapuran VTB College, Mannampatta.

Nimisha Gopal P.G.

Assistant Professor,
Sreekrishnapuran VTB College, Mannampatta.

Introduction

Generally pension schemes provide some amount of financial resources to the investors after a stipulated period of age or service. It can provide a long term income security in the old age. Pension schemes can hedge the risks of an individual and reduce old age tensions and poverty. APY is a pension scheme focused on unorganised sector. Individuals between the age group of 28-40 can become the subscribers of the scheme, and can earn a monthly remuneration of 1000-5000 after 60 years of age. It give insurance coverage also which can support the family members also. There are 1 Crore subscribers are there in three years for the same because of its advantage. This study mainly focused on subscriber's attitude towards APY scheme with special reference to Palakkad district.

Review of Literature

Joy and Douglas (2003) designed to harmonize the work by exploring the extent to which demographic factors (age, income gender, and educational background) are related employee perceptions of financial stability in retirement. Results exposed that demographic variables were related with individuals' perceptions of how difficult it will be to fund their retirement, and perception of the significance of income from individual savings, pension plans, Social Security, and family members. Result are discussed in terms of how perception of income

are connected to income patterns veteran by current retirees. All together, the results show that the need to develop public policy initiatives and tailored retirement intervention programs is that it meets the needs of subgroups of workers.

In the study conducted by Beck's (1984) , show that people who were more stirred for retirement programs planning were the economically and socially privileged worker who could have easily got opening to get into such programs. It was found that people benefitting most from the retirement programs were the older workers and those who were less educated, with low occupational status, no pension scheme coverage, and consequently with low retirement income. Everyone does not get actively involved in any schemes how so ever the scheme may be for them only

The research done by Fillenbaum *et. al.* (1985), generalised that the real motivation to plan retirement comes from perception of competence of individual income by high income group people to take action in keep up their status quo as regards to the standard of living and outlay in retirement. People with low income don't foresee changes in their living standards and those who come under middle class feel fascinated in planning retirement or any other financial investment because they are always in condition of hand to mouth and with very less savings.

Malroutu *et. al.* (1995), to inspect the result of the socio demographic factors, data from the 1989 Survey of Consumer Finance was used, work related, human capital, and objective variables were checked on the perceived competence of the retirement income of the pre-retirees. After adding subjective variables to the analysis, pre-retirees' perception was positively related to planning to save within 5 years with of

Objective of the Study

- To study the attitude of subscribers towards APY scheme.
- To recognize the factors influencing the subscribers for their investment.

Research Design

The study is an analytical and descriptive research. The study is related with analysing the attitude of subscribers towards APY scheme in Palakkad district. The sample collected from 40 respondents in Palakkad district itself.

Sampling Plan

Target population: Palakkad district, Kerala
 Sampling unit: Individual subscribers of Palakkad district, Kerala
 Sampling method: Random Sampling
 Sample size: 40

Hypothesis

H0: Subscribers’ attitude is independent towards APY scheme on the basis of demographic variables

H1: Subscribers’ attitude is dependent towards APY scheme on the basis of demographic variables

Scope of the Study

The research involves a general study related to the investment attitude of subscribers towards APY scheme. The scope of the study confined to various APY subscribers in Palakkad District. The employees belongs to unorganised sector are considered for the study. The study helps the researchers to gain real time experiments by interacting with the subscribers and it help them to gain more knowledge about the subscribers in APY scheme.

Data Analysis and Interpretation

Chart 1: Age vs attitude towards pension scheme

<i>Age Criteria</i>	<i>H</i>	<i>M</i>	<i>L</i>	<i>Total</i>
18-25	5	6	2	13
26-32	10	9	2	21
33-40	2	4	0	6
Total	17	19	4	40

At 5% level of significance with degree of freedom 4, the tabulated value is 0.711with respect to X² value is 1.843. Since X²calculated >tabulated value the hypothesis is rejected and it is concluded that there is significant relation between age and attitude towards APY scheme.

Chart 2: Gender vs attitude towards pension scheme

<i>Gender Criteria</i>	<i>H</i>	<i>M</i>	<i>L</i>	<i>Total</i>
Male	8	7	2	17
Female	15	5	3	23
Total	23	12	5	40

At 5% level of significance with degree of freedom 38, the tabulated value is 2.02 (without sign) with respect to T- test value is 5.93 . hence the hypothesis is rejected and it is concluded that there is significant relation between gender and attitude towards APY scheme.

Chart 3: Education vs attitude towards pension scheme

<i>Education vs Attitude</i>	<i>H</i>	<i>M</i>	<i>L</i>	<i>Total</i>
SSLC	1	2	0	3
Plus Two	8	2	1	11
UG	10	3	3	16
PG	2	1	0	3
Other	5	0	0	5
Total	28	8	4	40

At 5% level of significance with degree of freedom 4, the tabulated value is 0.711 with respect to X² value is 6.709. Since X²calculated >tabulated value the hypothesis is rejected and it is concluded that there is significant relation between education and attitude towards APY scheme.

Chart 4: Income vs attitude towards pension scheme

<i>Income vs Attitude</i>	<i>H</i>	<i>M</i>	<i>L</i>	<i>Total</i>
Upto 10000	15	2	1	18
10000-20000	5	2	3	9
20000-30000	3	2	2	7
Above 30000	0	1	4	5
Total	23	7	10	40

At 5% level of significance with degree of freedom 4, the tabulated value is .87 with respect to X² value is 5.14. Since X²calculated >tabulated value the hypothesis is rejected and it is concluded that there is significant relation between income and attitude towards APY scheme.

Chart 6: Occupation vs attitude towards pension scheme

<i>Occupation vs Attitude</i>	<i>H</i>	<i>M</i>	<i>L</i>	<i>Total</i>
Farming and allied Activitiex	8	2	0	10
Business	2	2	2	6
Salaried	10	2	0	12
Others	10	1	1	12
Total	30	7	3	40

At 5% level of significance with degree of freedom 6, the tabulated value is 1.635 with respect to X^2 value is 5.553. Since X^2 calculated > tabulated value the hypothesis is rejected and it is concluded that there is significant relation between occupation and attitude towards APY scheme.

Chart 7: Primary purpose of investment

<i>Primary Purpose of Investment</i>	
Safety for principle	5
Safety of Life	10
Safety for family	5
Safety for retirement	20
Total	40

The primary purpose of investment is old age safety. 50% of the respondents are accepting it as the prime objective.

Chart 8: Secondary purpose of investment

<i>Secondary purpose of investment</i>	
Safety	25
Tax savings	5
Growth high return	10
Total	40

Majority of the respondents agreeing that their secondary aim of investment is safety. The APY scheme ensure safety of investment.

Chart 9: Risk factor

<i>Risk factor</i>	
Yes	5
No	35
Total	40

The risk factor involved in the scheme is very low.

Findings and Suggestions

This research analyzes 40 subscribers of questioners regarding to age, gender, education level, income level, occupation criteria, employment criteria, investment purpose. The majority of results of this research depicts that the subscribers have positive perception towards APY pension schemes. Investors of Palakkad District has

positive outlook for the investment as well as subscription of APY schemes. Younger generation and level of education has positive impact for investment in APY scheme.

Conclusion

The study related with the subscribers attitude towards APY scheme of Govt. Of India. Investor's perception is positive for APY schemes and they are regularly contributing in APY schemes. Investors have a preference for APY schemes because they are looking for good amount after retirement, give safety our life as well as hedge the risk of family. Investment protection is another important reasons to invest in the Schemes. Age, gender, qualification, income and occupation are the cheering the positive attitude of investors to invest in pension. This research work will help researcher to get knowledge about APY and will help future investors to evaluate the perception of the subscribers towards the same.

REFERENCES

- Phillipson, Chris. *Reconstructing old age: New agendas in social theory and practice*. Sage, 1998.
- Hagerman Lisa A, Gordon Clark L, Tessa Hebb. *Investment Intermediaries in Economic Development: Linking public pension funds to urban revitalization*. 2007, 45-65.
- Hayes, Christopher L, Marcie Parker. *Overview of the literature on preretirement planning for women*. *Journal of Women & Aging*. 1993; 4(4):1-18.
- Fillenbaum, Gerda G, Linda George K, Erdman Palmore B. *Determinants and consequences of retirement among men of different races and economic levels*. *Journal of Gerontology*. 1985; 40(1):85-94.