



To Study the Implementation of A Proposed Banking System

Teenam

College: - Malwa College Bathinda, India

EMAIL ID: - Teenam.Bedi@Gmail.Com

ABSTRACT

Bank is the place where customers feel the sense of safety for their property. In the bank, customers deposit and withdraw their money. Transaction of money also is a part where customer takes shelter of the bank. Now to keep the belief and trust of customers, there is the positive need for management of the bank, which can handle all this with comfort and ease. Smooth and efficient management affects the satisfaction of the customers and staff members, indirectly. And of course, it encourages management committee in taking some needed decision for future enhancement of the bank. Now a day, managing a bank is tedious job up to certain limit. So software that reduces the work is essential. Also today's world is a genuine computer world and is getting faster and faster day-by-day. Thus, considering above necessities, the software for bank management has become necessary which would be useful in managing the bank more efficiently. Hereby, our main objective is the customer's satisfaction considering today's faster world.

In the recent years, computers are included in almost all kind of works and jobs everyone come across in the routine. The availability of the software's for almost every process or every system has taken the world in its top-gear and fastens the day-to-day life. So, we have tried our best to develop the software program for the Bank Management System where all the tasks to manage the bank system are performed easily and efficiently. It manages all the transactions like new account entry, deposit as well as withdraw entry, transaction of money for various processes, loan entry, managing bills cash or cheque, etc. Thus, above features of this software will save transaction time and therefore

increase the efficiency of the system. Requirements definition and management is recognized as a necessary step in the delivery of successful systems and software projects, discipline is also required by standards, regulations, and quality improvement initiatives. Creating and managing requirements is a challenge of IT, systems and product development projects or indeed for any activity where you have to manage a contractual relationship. Organization need to effectively define and manage requirements to ensure they are meeting needs of the customer, while proving compliance and staying on the schedule and within budget. The impact of a poorly expressed requirement can bring a business out of compliance or even cause injury or death. Requirements definition and management is an activity that can deliver a high, fast return on investment.

*The research on **To Study The Implementation of a Proposed Banking System** is completely attached with database system. In this research we can attach visual basic 6.0 programming language, database with Crystal Reports. We can attach with database of a Bank and generate the Banking System with its development and implementation. If we required enter information on the form and create the print using print command then we are making a proposed system of Banking. So my research is that if we required enter the data of employees or Customers of any Bank then we can create a proposed Banking System, which is better for the Bank to make an efficient system. This research is completely based on coding.*



Keywords: -

Visual Basic 6.0 Programming; Database; Visual Basic Programming Control i.e. ADO and Reporting tool Crystal Report.

INTRODUCTION

The definition of a bank varies from country to country. See the relevant country page (below) for more information. Under English common law, a banker is defined as a person who carries on the business of banking, which is specified as:

- conducting current accounts for his customers,
- paying cheques drawn on him/her, and
- Collecting cheques for his/her customers.

In most common law jurisdictions there is a Bills of Exchange Act that codifies the law in relation to negotiable instruments, including cheques, and this Act contains a statutory definition of the term banker: banker includes a body of persons, whether incorporated or not, who carry on the business of banking' (Section 2, Interpretation). Although this definition seems circular, it is actually functional, because it ensures that the legal basis for bank transactions such as cheques does not depend on how the bank is structured or regulated.

The business of banking is in many English common law countries not defined by statute but by common law, the definition above. In other English common law jurisdictions there are statutory definitions of the business of banking or banking business. When looking at these definitions it is important to keep in mind that they are defining the business of banking for the purposes of the legislation, and not necessarily in general. In particular, most of the definitions are from legislation that has the purpose of regulating and supervising banks rather than regulating the actual business of banking. However, in many cases the statutory definition

closely mirrors the common law one. Examples of statutory definitions:

- "banking business" means the business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, the making of advances to customers, and includes such other business as the Authority may prescribe for the purposes of this Act; (Banking Act (Singapore), Section 2, Interpretation).
- "banking business" means the business of either or both of the following:
 - receiving from the general public money on current, deposit, savings or other similar account repayable on demand or within less than [3 months] ... or with a period of call or notice of less than that period;
 - Paying or collecting checks drawn by or paid in by customers.

Since the advent of EFTPOS (Electronic Funds Transfer at Point Of Sale), direct credit, direct debit and internet banking, the cheque has lost its primacy in most banking systems as a payment instrument. This has led legal theorists to suggest that the cheque based definition should be broadened to include financial institutions that conduct current accounts for customers and enable customers to pay and be paid by third parties, even if they do not pay and collect checks

Economic Functions

The economic functions of banks include:

- Issue of money, in the form of banknotes and current accounts subject to check or payment at the customer's order. These claims on banks can act as money because they are negotiable or repayable on demand, and hence valued at par. They are effectively transferable by mere delivery, in the case of banknotes, or by



drawing a check that the payee may bank or cash.

- Netting and settlement of payments – banks act as both collection and paying agents for customers, participating in interbank clearing and settlement systems to collect, present, be presented with, and pay payment instruments. This enables banks to economize on reserves held for settlement of payments, since inward and outward payments offset each other. It also enables the offsetting of payment flows between geographical areas, reducing the cost of settlement between them.
- Credit intermediation – banks borrow and lend back-to-back on their own account as middle men.
- Credit quality improvement – banks lend money to ordinary commercial and personal borrowers (ordinary credit quality), but are high quality borrowers. The improvement comes from diversification of the bank's assets and capital which provides a buffer to absorb losses without defaulting on its obligations. However, banknotes and deposits are generally unsecured; if the bank gets into difficulty and pledges assets as security, to raise the funding it needs to continue to operate, this puts the note holders and depositors in an economically subordinated position.
- Asset liability mismatch/Maturity transformation – banks borrow more on demand debt and short term debt, but provide more long term loans. In other words, they borrow short and lend long. With a stronger credit quality than most other borrowers, banks can do this by aggregating issues (e.g. accepting deposits and issuing banknotes) and redemptions (e.g. withdrawals and redemption of banknotes), maintaining reserves of cash, investing in marketable

securities that can be readily converted to cash if needed, and raising replacement funding as needed from various sources (e.g. wholesale cash markets and securities markets).

- Money creation – whenever a bank gives out a loan in a fractional-reserve banking system, a new sum of virtual money is created.

PROBLEM FORMULATION

Before developing research we keep following things in mind so that we can develop powerful and quality research.

PROBLEM STATEMENT

Problem statement was to design a module:

- Which will be user friendly?
- Which will restrict the user from accessing other user's data?
- Which will help the user in viewing his data and privileges?
- Which will help the administrator to handle all changes?
- In which further additions can be made without changing its design drastically.
- Which would restrict the server traffic?

Risk management is an issue that needs to be stressed and investigated, especially in the banking industry, where the need for a good risk management structure is extremely important. The European banking system has been very troubled by recent financial crises, Swedish banks have however been resilient and managed these crises reasonably well (FI, 2011, pp. 4-5) making it interesting to look more in depth in the Swedish banks and their risk management. Since recent events in the financial industry have proven that one person can be responsible for a companywide crisis, it is also very important to investigate the impact organizational structure and internal control has on risk management. We argue that centralization can be a way to organize



the organizational structure of a bank. At the same time an obvious effect from centralization can be that decisions are more concentrated to one level of the organizational hierarchy, whilst the opposite can be true for the decentralized structure (Andrews et al., 2009, pp. 58- 59). Through this, internal control can also be affected by the degree of centralization; therefore we argue that centralization is a subject that needs to be addressed in research of risk management. Further the development of the Basel agreements has increased the requirements of banks risk management and therefore the question can be asked if the more stringent requirements have affected the financial risk management structure of the Swedish banks. And as argued by Alonso, et al. (2008, pp. 145- 146) in that case has it contributed to a more centralized management structure with the focus to have control or a more decentralized risk management with decisions taken closer to the operations. Therefore we will combine these concepts into the following problem formulations: How does the financial risk management structure look like at three major Swedish Banks? How are the banks approach to financial risk management affected by how decentralized their organizations are, and what effect does the increasingly stringent rules in the financial community have on the structure of the organization and its risk management?

FUNCTIONS TO BE PROVIDED

The various features that the proposed system will possess will be:

- The system will be user friendly and completely menu-driven so that users shall have no problem in using all the options provided.
- The system will be efficient and fast in response by careful programming.
- The system will be customized according to the needs of the organization.
- It will provide overall security to database both from user as well as administrator side.

According to the situation of the problem, a solution is provided to use a Visual Basic programming connects with database of Bank according to requirement of the user.

The purpose of this study is to outline the relationship between the three variables of centralization, rules and regulations and financial risk management at three major banks in Sweden. We want to show the effect more stringent rules and regulations, stemming from the Basel agreements, have on the degree of centralization in the bank's risk management. If we cannot observe any effect from these variables we will provide an alternative explanation of what variables that relates to each other and how they relate to each other. Further we wish to increase the general knowledge of which of the risks facing the banks that are most likely to be managed at the different levels and contrast on the differences between the banks investigated

The research on **To Study the Implementation of a Proposed Banking System** is completely attached with database system. In this research we can attach visual basic 6.0 programming language, database with Crystal Reports. We can attach with database of a Bank and generate the Banking System with its development and implementation. If we required enter information on the form and create the print using print command then we are making a proposed system of Banking. So my research is that if we required enter the data of employees or Customers of any Bank then we can create a proposed Banking System, which is better for the Bank to make an efficient system. This research is completely based on coding.

RESEARCH METHODOLOGY

What is Algorithm in Computer Science?

Algorithm is a process of problem-solving in step by step to get result. Algorithm is very

importance for programmers to do computer programming because it figures out the programming process. Algorithm is a part of problem-solving techniques. After the problem

has been raise, we have to analyze the problem first then the inputs and outputs are defined. After that we start to design the algorithm that is a process to transform inputs into outputs.

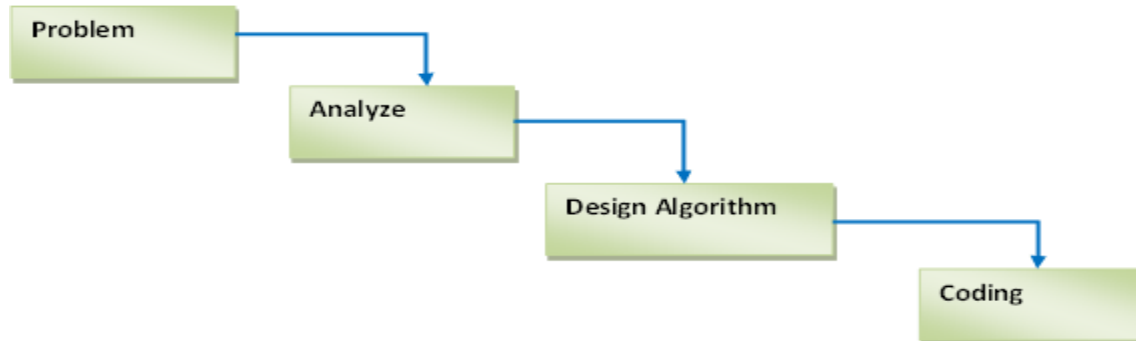


FIGURE. Problem – Solving Technique



FIGURE. Flow – Chart of a Problem

Problem: -Risk management is an issue that needs to be stressed and investigated, especially in the banking industry, where the need for a good risk management structure is extremely important. The European banking system has been very troubled by recent financial crises, Swedish banks have however been resilient and managed these crises reasonably well (FI, 2011, pp. 4-5) making it interesting to look more in depth in the Swedish banks and their risk management. Since recent events in the financial industry have proven that one person can be responsible for a companywide crisis, it is also very important to investigate the impact organizational structure and internal control has on risk management. We argue that centralization can be a way to organize the organizational structure of a bank. At the same time an obvious effect from centralization can be that decisions are more concentrated to one

level of the organizational hierarchy, whilst the opposite can be true for the decentralized structure (Andrews et al., 2009, pp. 58- 59). Through this, internal control can also be affected by the degree of centralization; therefore we argue that centralization is a subject that needs to be addressed in research of risk management. Further the development of the Basel agreements has increased the requirements of banks risk management and therefore the question can be asked if the more stringent requirements have affected the financial risk management structure of the Swedish banks. And as argued by Alonso, et al. (2008, pp. 145-146) in that case has it contributed to a more centralized management structure with the focus to have control or a more decentralized risk management with decisions taken closer to the operations. Therefore we will combine these concepts into the following problem formulations: How does the financial risk



management structure look like at three major Swedish Banks? How are the banks approach to financial risk management affected by how decentralized their organizations are, and what effect does the increasingly stringent rules in the financial community have on the structure of the organization and its risk management?

Analyze: - I analyze this problem which is serious and it should have easy solution. Then I have made an algorithm which is necessary to solve this problem. With the help of this algorithm and database model diagram in my research I am able to access the data or also able to generate the Proposed Banking System with the programming and support with database and give the results better for any Bank.

Design Algorithm: - The steps of this algorithm used in my research are as follow:

-

1. Firstly I have made a database which is Bank.mdb in MS Access. This database has several tables which are necessary for my research project.
2. My research project front-end is Visual Basic 6.0 and back-end is MS

Access and platform used in this research is Window XP.

3. Then I have made the Bank Main Form, New Account, Delete Account, Transaction Form and etc which are used in visual basic programming language and make a connection provider with ODBC Connection and ADO which is used in VB components.
4. I connect this form with database and database table through the connection provider OLEDB.
5. These forms have the Account, Daily Transaction and Monthly Transaction form and etc. then I create all Banking reports which are used to generate the printout.
6. Finally I am able to create the Daily and Monthly Transaction Details of the Customers sheets with the help of above forms and full analysis, study and implementation of banking system and maintain the Banking Transaction of any Bank which has the better and efficient system of any Bank. All the work is based on Visual basic programming, Database system and crystal reports

RESULT

EXPERIMENTAL RESULTS

6.1 A PROPOSED PAYROLL SYSTEM

The research on **To Study the Implementation of a Proposed Banking System** is completely attached with database system. In this research we can attach visual basic 6.0 programming language, database with Crystal Reports. We can attach with database of a Bank and generate the Banking System with its development and implementation. If we required enter information on the form and create the print using print command then we are making a proposed system of Banking. So my research is that if we required enter the data of employees or Customers of any Bank then we can create a proposed Banking System, which is better for the Bank to make an efficient system. This research is completely based on coding. We show the overall banking system with the help of Banking System software and we show all the visual basic forms of banking system. Here we represent some form of my research are as follow: -

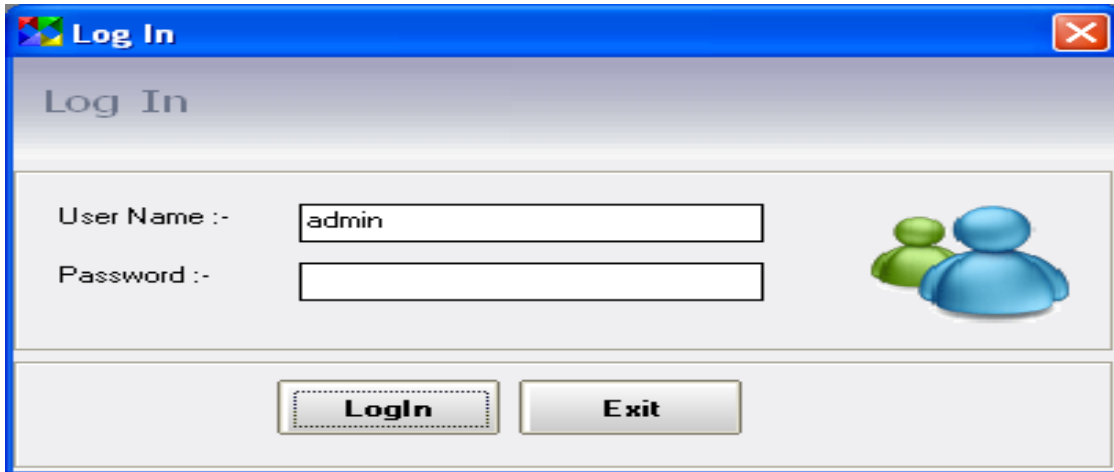


FIGURE 1.My Research Banking Login Form

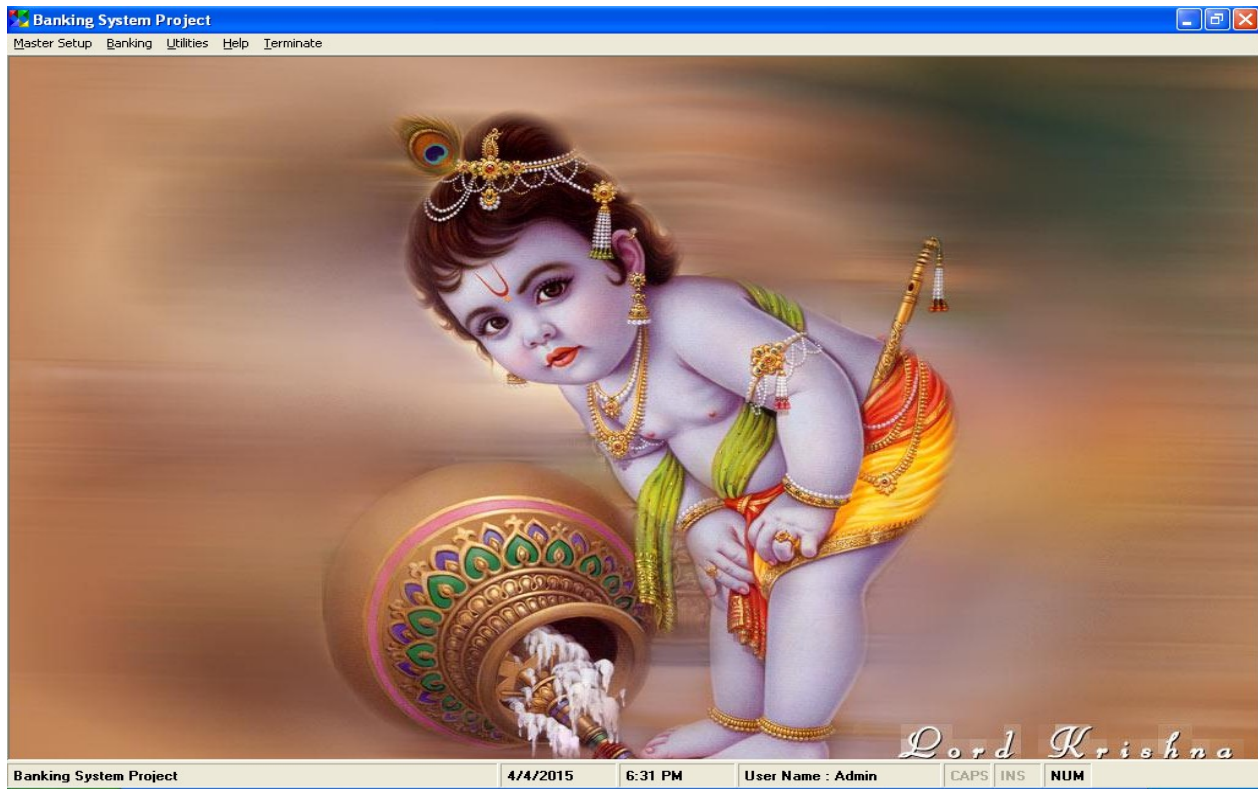


FIGURE 2.My Research Banking MainMdi Form

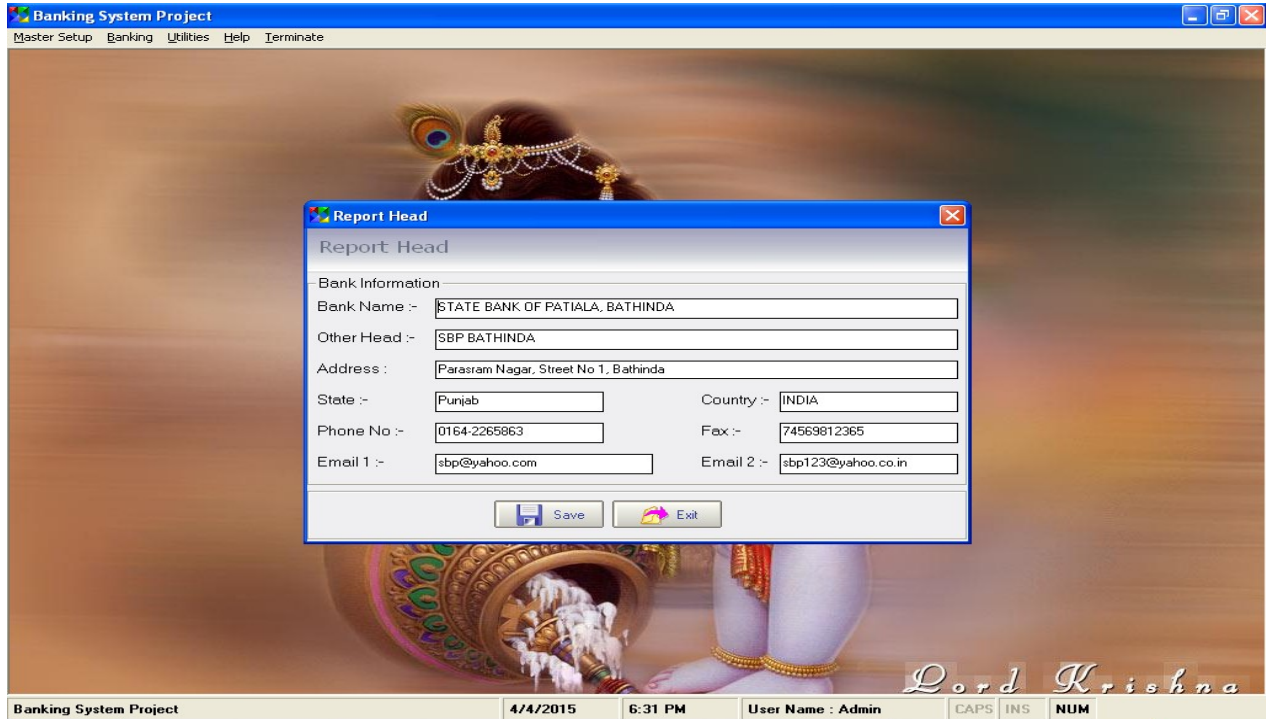


FIGURE 3. My Research Banking Report Head Form

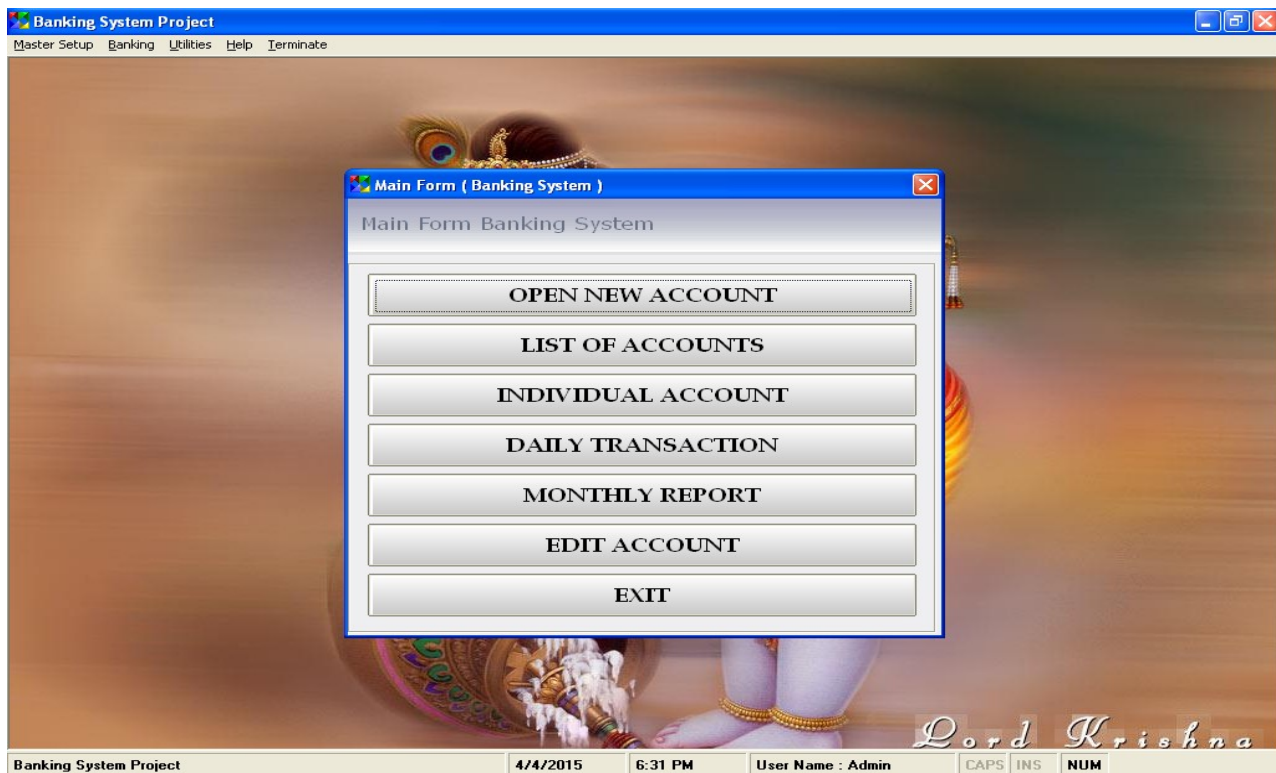


FIGURE 4. My Research Banking Heading Form

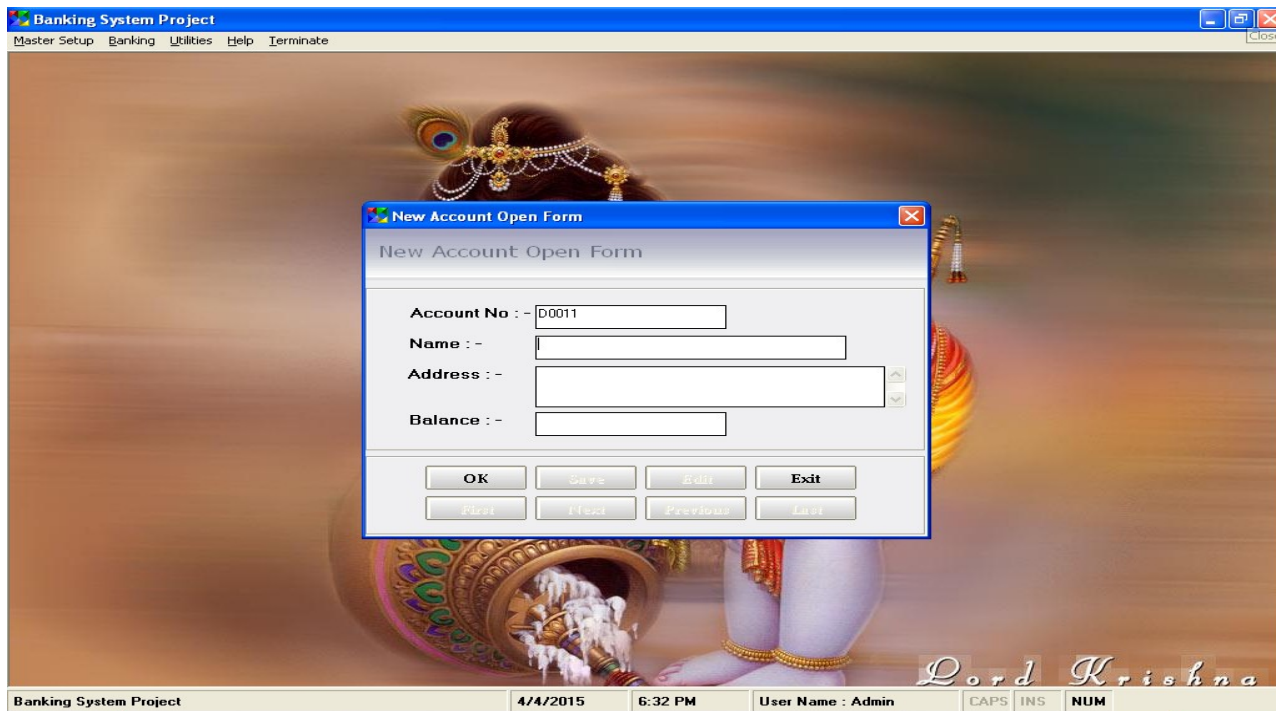


FIGURE 5. My Research Banking Open New Account Form

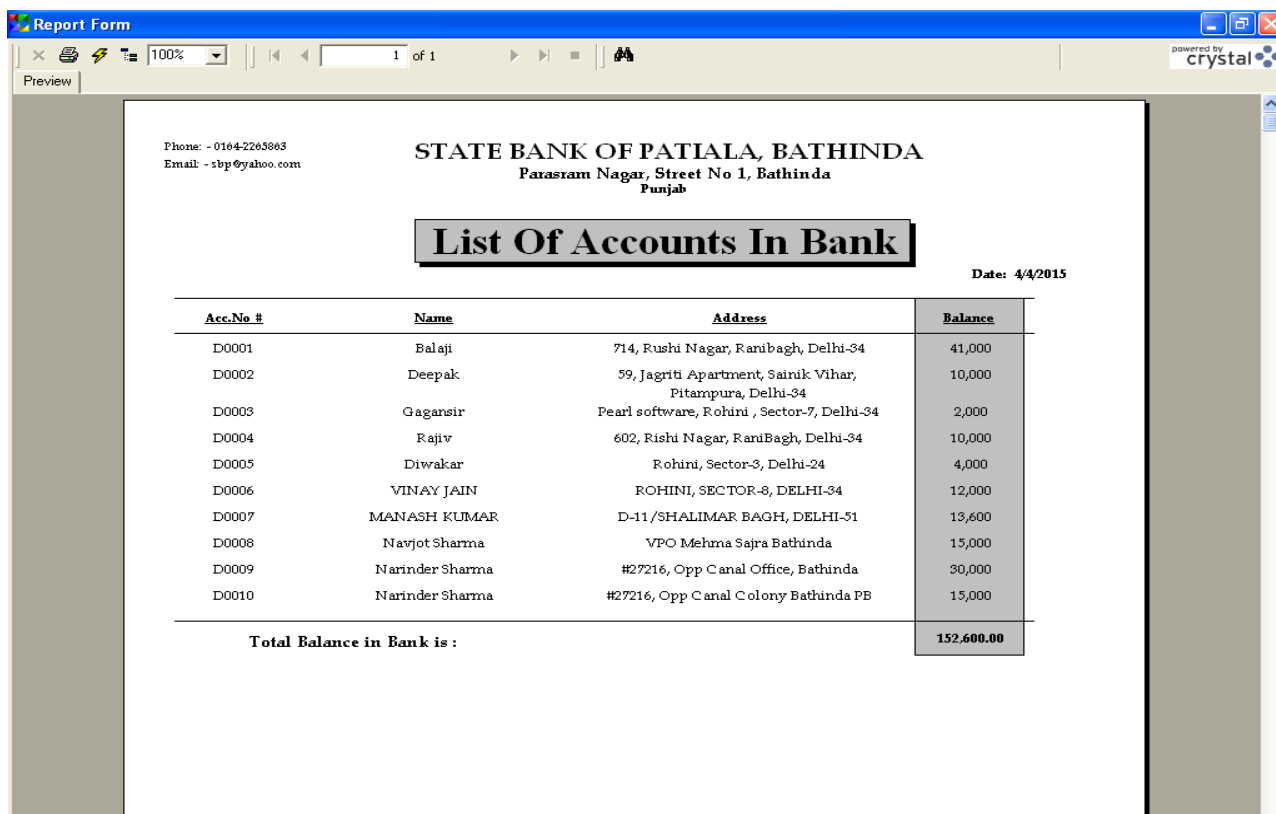


FIGURE 6. My Research Banking List of AccountReport

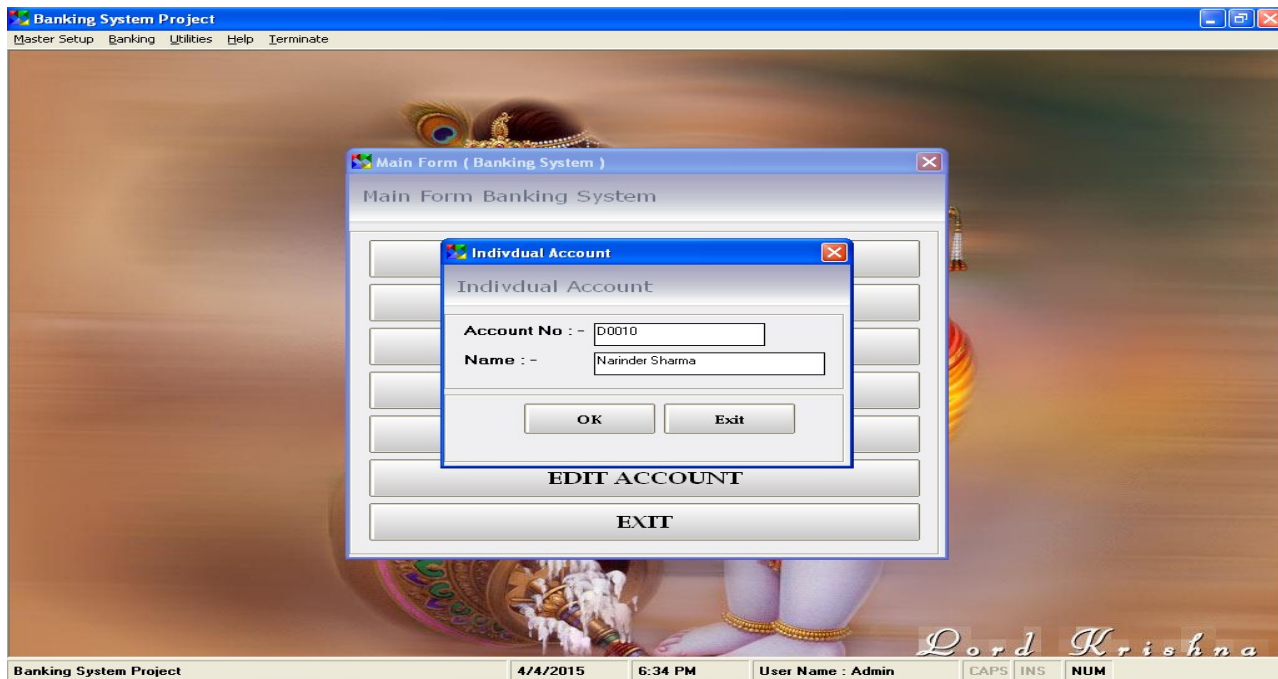


FIGURE 7. My Research Banking Individual Account Form

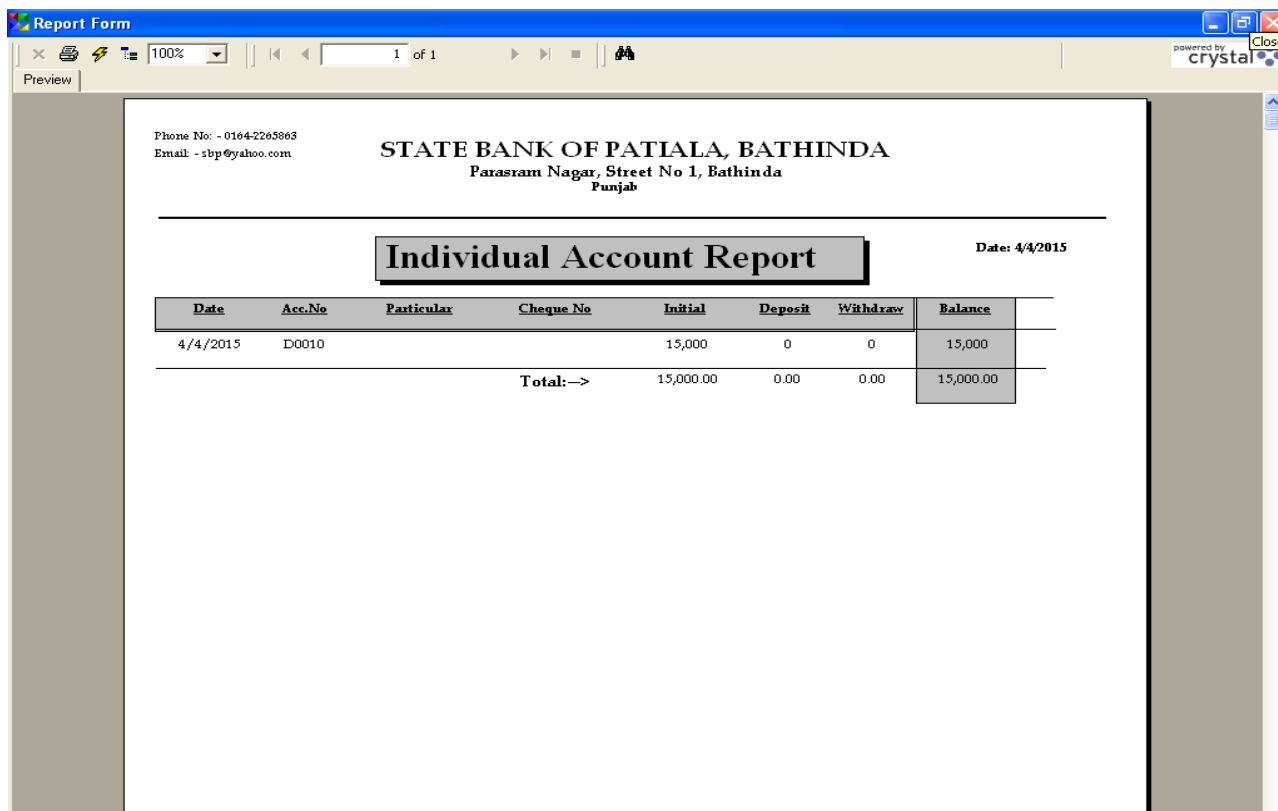


FIGURE 8. My Research Banking Individual Account Report

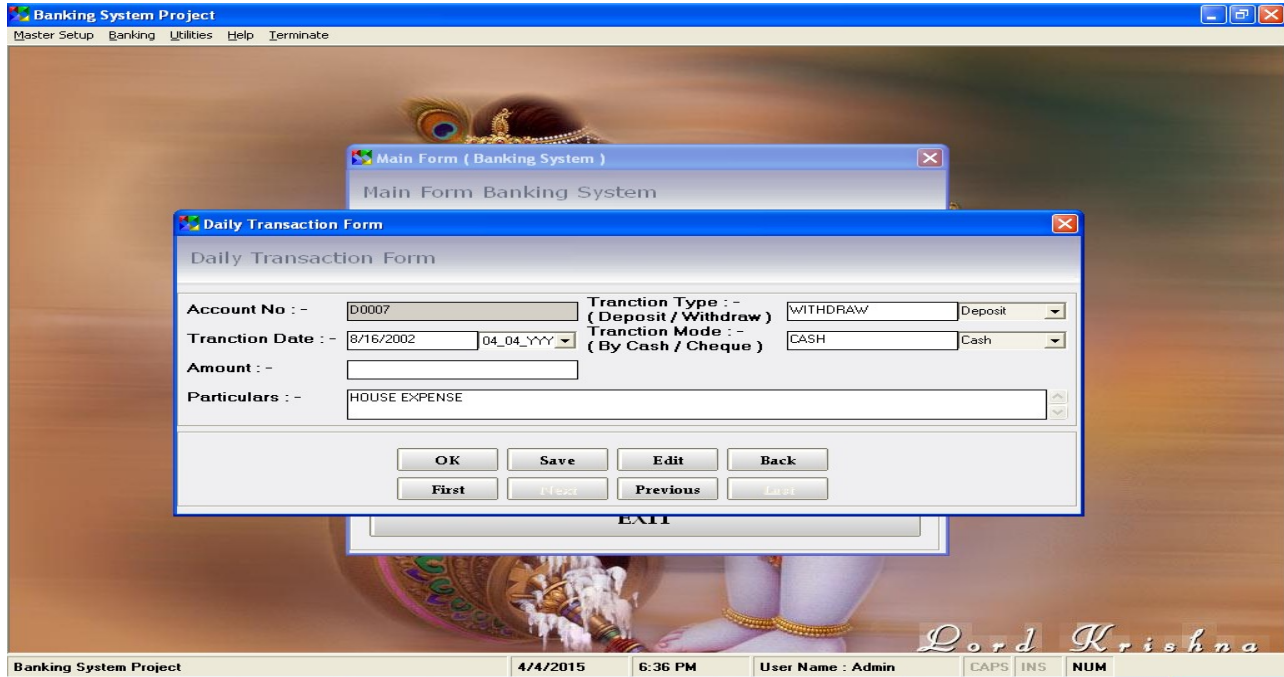


FIGURE 9. My Research Banking Daily Transaction Form

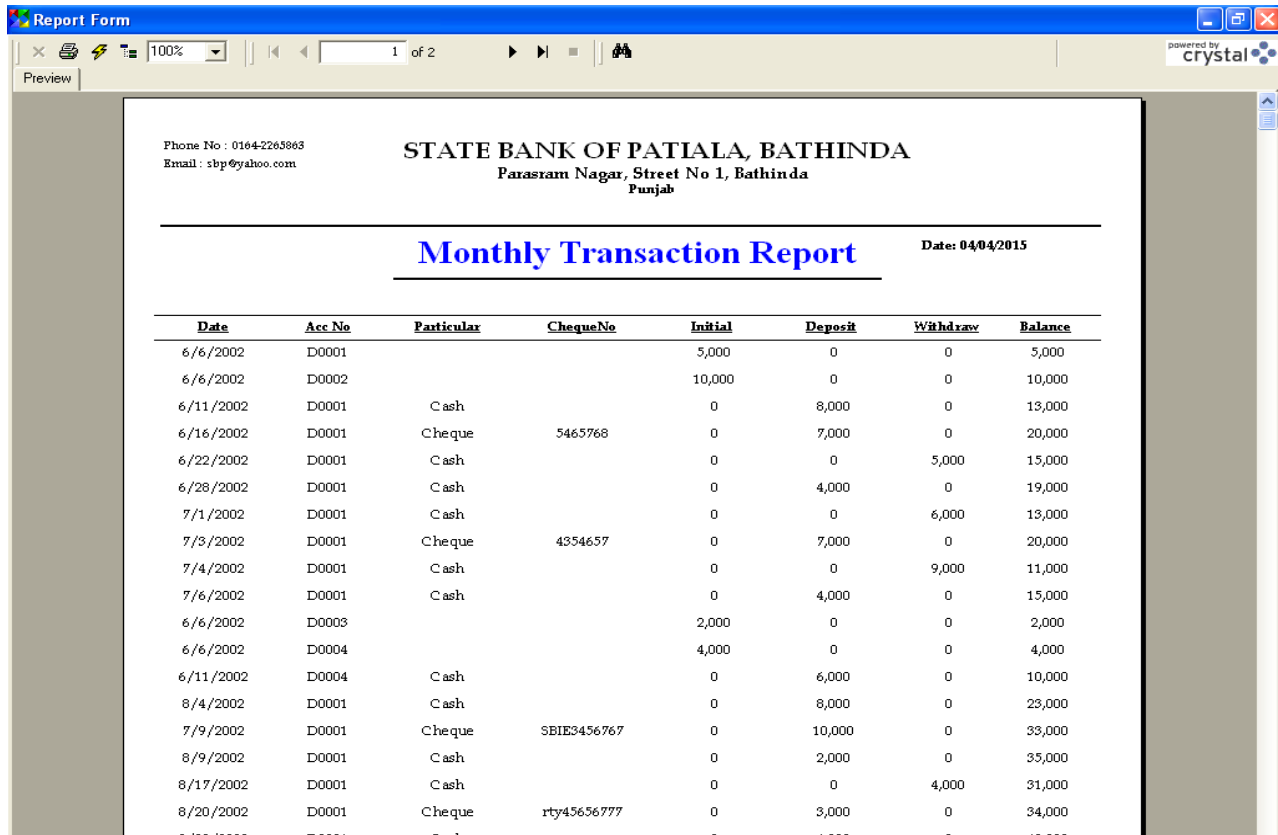


FIGURE 10. My Research Banking Monthly Transaction Report

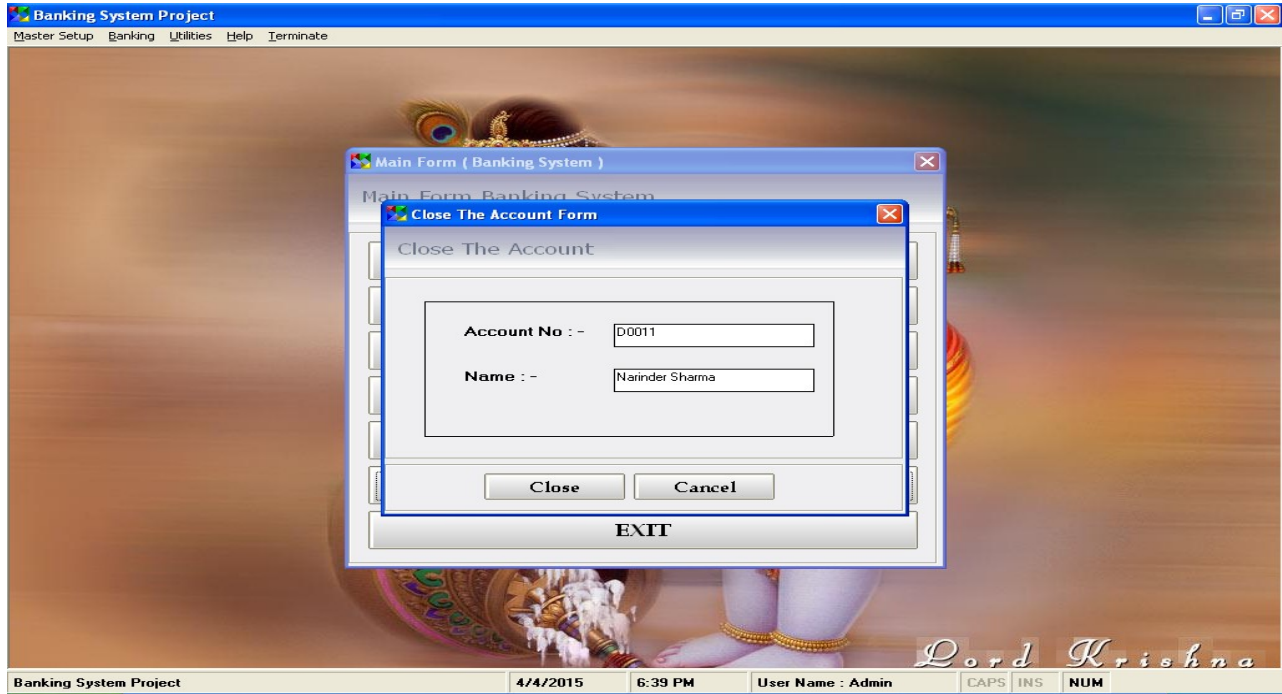


FIGURE 11. My Research Banking Close Account Form

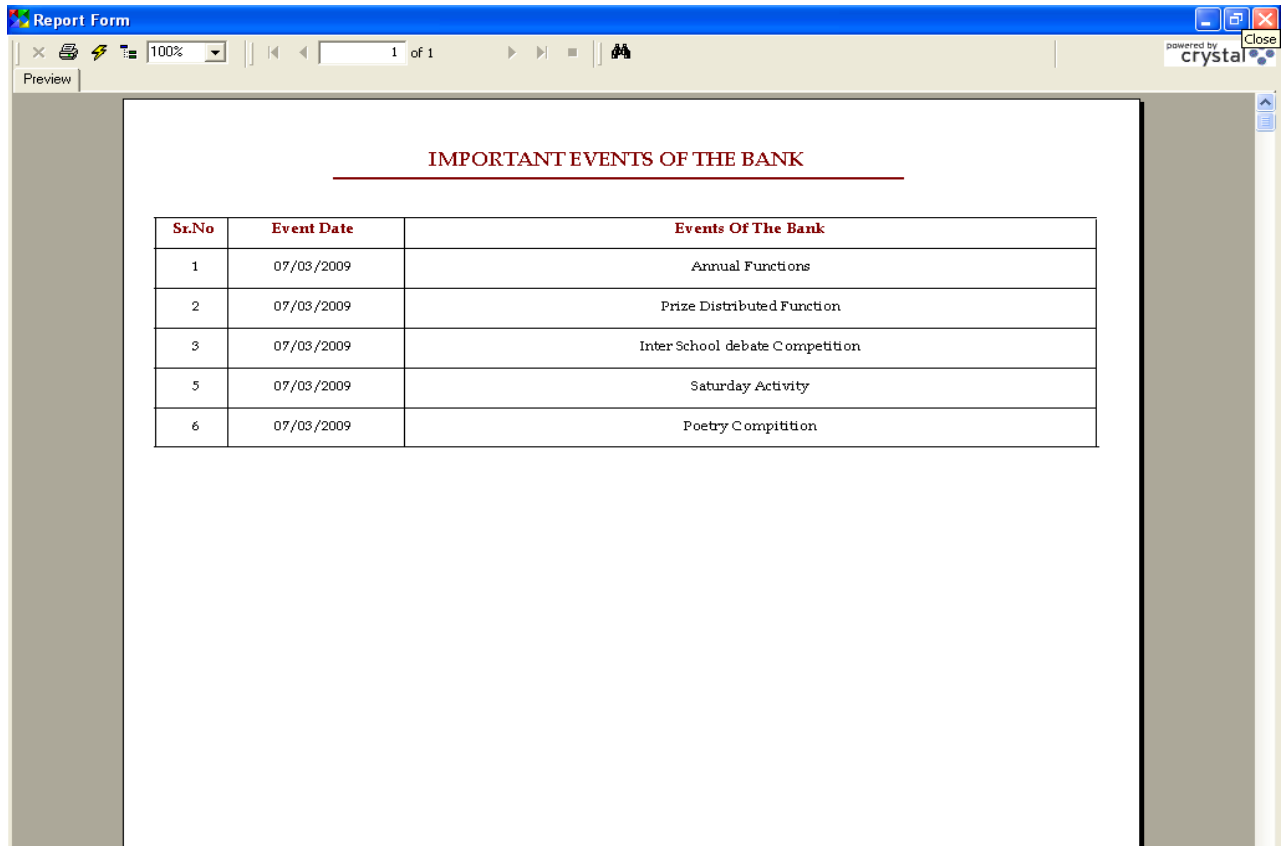


FIGURE 12. My Research Banking More Events Form



CONCLUSION AND FUTURE WORK

This chapter is based upon the conclusion of what we have done so far and how the system can be further enhanced with an increase in requirements.

Conclusion

The threats to traditional banks may not happen overnight, but they will surely arrive. People often overestimate the impact of change in the short term, but they also underestimate it in the long term. They recall that earlier promises about home banking and the cashless society failed to materialize, and they now believe that even a vastly more effective interactive medium will meet the same fate, forever. Those who hold these views will pay for them, eventually. This is the most exciting period the world of finance has ever seen. There are tremendous opportunities for those who succeed in marrying finance with information technology, and technology with relationship management. Yes, banks have more opportunities than ever before, but their customers' opportunities have grown even more, and with it, the customers' bargaining strength. Yes, there is a chance for some of those dinosaurs, as Bill Gates has dismissively called banks. There is a chance for some of them to quickly seize on this opportunity and take a giant leap forward. For those who fail to be in the forefront, there will be trying times ahead. As we begin to ponder on a way forward, let us make sure that we keep these global developments in mind and that we move towards building an Iraqi banking industry that is well-positioned for the 21st century.

Future Enhancements

One could imagine that all these changes strengthened banks by making them faster, smarter, broader, and more global. But this is not so. Even though banks have become bigger, they have been weakened.

One of the major reasons is that the new technologies have accelerated the entry of rival institutions that were more adept in utilizing them. Today, American banks' share in borrowing has dropped from 36% in 1974 to less than 20%. For thrift institutions, it dropped from 21% in 1976 to less than 8% in 2004. Commercial banks' share of total financial intermediary assets dropped from a steady 40% in the 60s through 80s to below 30% in the latter half of the 1990s, the first time that deposits in non-banks were greater than in banks. One major reason for the decline was the growth of alternative sources of funds. Information technology enabled investors to evaluate securities and to be reached directly by borrowers. Thus, commercial paper outstanding as a percentage of business loans rose from around 5% in the 1970s to above 35% in the 2000s. Computers could be used to evaluate credit risk by using various quantitative methods, and this made it possible for non-banks to transform loans into marketable securities. This technique of securitization by non-banks is now also moving to small business loans. In response, banks increased non-lending activities. The share of their non-interest income rose, their commercial real estate loans; as a percentage of assets doubled. And they began to be heavily active in financial derivatives. Widespread derivatives markets were not possible without information technology; their complexity makes controls difficult, and this increased riskiness. It helped bring down the Baring and Daiwa banks, demonstrating the global nature of the problem. In non-lending activities, too, banks fell behind institutions without banking charters but with superior operational or technological ability. In credit card processing, banks lost all but 20% of the market to non-banks. Banks were slow in offering Electronic Data Interchange (EDI) services that standardized invoicing and payments for transactions. When EDI emerged outside of banks it reduced the need for bank intermediaries.