

A Study on Awareness and Benefits of Pradhan Mantry Jan Dhan Yojana

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Abstract: A financial Inclusion program has become an integral part of an economy which is required not only in under-developed and developing countries but also developed countries for sustainable growth. In India Pradhan Mantri Jan Dhan Yojana is one of the successful financial inclusion program by the Government of India which is providing social and financial security to the deprived section of the population. The paper attempts to study the financial inclusion program in India and literature review on financial inclusion program with special reference to Pradhan Mantri Jan Dhan Yojana (PMJDY) highlighting its key areas and strategies beneficial for sustainable growth of financial position of people in India. The study reveals that the success of PMJDY scheme depends on the effective regulatory system and regular monitoring of the successful implementation of the program.

Key words: Financial Inclusion, PMJDY, Monetary Benefit, sustainable growth.

1. INTRODUCTION

The concept of financial inclusion was introduced by RBI in November 2005 to provide access to basic banking services to financially excluded people. Under this approach banks open accounts with zero balance or very minimum balance requirement for the under-privileged.

Government of India launched Pradhan Mantri Jan Dhan Yojana (PMJDY) on 28th August 2015 with the intension to reach weaker section and lower income groups have no access to financial service like savings, credits and insurance as well as to increase financial inflow to the bank. PMJDY aims at providing bank account to single household above the age of 10 years who do not have bank account.

PMJDY Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria.

1.1 Special Benefits under PMJDY Scheme

- a. Interest on deposit.
- b. Accidental insurance cover of Rs.1.00 lakh.
- c. No minimum balance required.
- d. Life insurance cover of Rs.30,000/-
- e. Easy Transfer of money across India
- f. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
- g. After satisfactory operation of the account for 6 months, an overdraft facility up to Rs. 5000 will be permitted.
- h. Access to Pension, insurance products.
- i. Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
- j. Overdraft facility up to Rs.5000/- is available in only one account per household, preferably lady of the household.

2. REVIEW OF LITERATURE

According to (Chakrabarty, 2011): financial Inclusions is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by main stream institutional players.

In opinion of (Patel A. , 2015) the Government with the association of NABARD (National Bank for Agriculture and Rural Development) has to undertake a pilot project in each State to understand the bank account holder's perception and bank's capability to serve these new clients in the light of the concept of the PMJDY.

According to (Dasgupta & Anklesaria, 2015) :the key challenges which could hinder the success of PMJDY which are infrastructural issues pertaining within India, ability to keep the accounts 'live', lack of financial and technological literacy amongst the masses, duplication of accounts, managing the ecosystem of business correspondents and the

economic burden on stakeholders of keeping these accounts active. They have identified that with the development of PMJDY scheme stakeholders like RBI, central and state government, banks, local bodies, other government agencies like NABARD, NPCI etc. will have to build a sustainable eco-system to keep these accounts active.

According to (Bhatia & Singh, 2015): have attempted to study the initiatives of central Government towards financial inclusion, steps taken by the bank with respect financial inclusion, strategies adopted by RBI and Government of India for strengthening financial inclusion and challenges faced to achieve financial inclusion as a part of sustainable growth. They concluded that India is at moderate level of financial inclusion and the need of efficient and effective implementation of policies to achieve the target of banking facilities being felt.

(Patnaik, Satpathy, & Supkar, 2015) analyzed that only 13.8% of the responded in Bhubaneswar have access to bank accounts and out of the total responded who do not have bank account due to various reason are alarmingly are not aware of PMJDY scheme. Amongst males 78.9% and in 95.08% were not aware of the scheme. The study concluded that the banks should make more effort in creating awareness on zero balance account and should aggressively campaign for such scheme.

According to (Verma, 2016) Financial inclusion can be achieved by ensuring access to financial services, affordability of services, and actual utilization of financial services. In order to promote financial inclusion, the Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched across the country. It is a mission mode project of the Government of India. The scheme aims to ensure universal access to banking facilities in each and every household of the country.

3. RESEARCH METHODOLOGY

Research Methodology is the general research strategy that outlines the way in which research is to be undertaken. The following methodologies have been adopted for this study:

3.1 Research problem :

The research problem was to know the Awareness and Benefits of Pradhan Mantri Jan Dhan Yojana.

3.2 Research Objective:

- To find the most important dimensions of service quality that affect customer satisfaction.
- To analyze perceived responses of people about PMJDY.
- To give suggestions for good quality services.
- To find out awareness among people for PMJDY.

3.3 Research Design:

This study is dependent on tangibility, reliability, responsiveness, assurance and empathy as evaluated by customers on quality of service, so it is a causal research design; since it reveals a cause and effect relationship.

3.4 Data Collection Method:

The data collection method can be classified in two parts:

Primary Data – In this research, primary data was collected by a questionnaire and survey among people to find out the awareness level about PMJDY.

Secondary Data - Information that already existed was collected in the study from the authorized website of PMJDY and other literature available.

3.5 Sample Size:

80 people were approached out of which 71 responses were taken into consideration for the study.

3.6 Target Population:

Opinion of general public of Udaipur from different age groups was taken.

3.7 Statistical tools:

Percentage method was used to analyze a few open-ended questions; some of the Questions were based on Likert scale, to analysis the respondent's opinion about PMJDY. Chi-Square technique was applied to analyze a set of data.

4. DATA ANALYSIS AND INTERPRETATION

Analysis is a process of breaking a complex topic or substance into smaller parts in order to gain a better understanding of it. Each Question of the Questionnaire was analyzed separately and was interpreted, which are presented below.

4.1 Demographic Profile of the study area

71 respondents were taken into consideration out of which 57% were males while 43% females. 69% were students, 6% belonged to the self-employed group, 14% to the service group, 4% were housewives, 4% were business person and 3% were others.

For the unbiased study, opinion was taken from both genders and various professionals.

4.2 Analysis of awareness and Customer's perspective about PMJDY

Awareness was spread among people by these means:

Most of the respondents became aware through Media advertisement i.e. 50%, 23.50% through friends and relatives, 20.60% through Banks/Financial Institutions and remaining 5.90% through other sources.

People among total respondents who opened their bank account under this scheme:

According to the study only 8% respondent opened their account while 92% didn't because most of them already owned at least one bank account.

PMJDY has helped to reduce dependency on informal sources (e.g; money lenders etc.):

There were 14.3% respondents who disagreed, 60% agreed and 25.7% who neither agree nor disagree to the statement.

PMJDY is effectively advertised / publicized:

19.10% strongly agreed, 48.50% of the respondents agreed, 16.20% neither agreed nor disagreed and remaining 16.20% disagreed, this shows that 67.6% respondents felt that the scheme was effectively publicized.

PMJDY is helpful in improving the country's economic growth:

8.80% respondents strongly agreed, 73.50% respondents agreed, 13.20% respondents neither

agreed nor disagreed and 4.50% respondents disagreed, which shows that more than 80% respondents were in the favor of the statement.

Awareness about accidental insurance worth Rs. 1,00,000 under this scheme: 23.50% disagreed, 20.60% neither agreed nor disagreed, 41.20% agreed, 10.30% strongly agreed which shows that 51.50% respondents were aware about accidental insurance in PMJDY.

People are aware of life insurance worth Rs. 30,000 under this scheme:

7.5% strongly agreed, 38.80% agreed, 23.90% neither agreed nor disagreed, 26.90% disagreed, 2.90% strongly disagreed which shows that 46.30% respondents were aware about life insurance in PMJDY.

People's perceptions about best utility of PMJDY:

Multiple option selection was provided in this question and 7.5% said credit facility, 25.40% said subsidy facility, 29.90% said accidental insurance, 26.90% said life insurance, 10.40% said overdraft facility and majority of 64.20% people said saving facility is the best utility of the scheme.

4.3 Awareness about PMJDY is dependent on the age of respondent:

Table 1

Age	Yes	No
20 to 25	51	3
25 to 30	6	0
30 to 40	0	0
40 to 50	1	0
50 & above	2	0

The above table shows the age wise distribution of people who were aware about the PMJDY.

H_0 = Association between awareness about PMJDY and age of people is independent.

H_A = There is association between demographic factor age and people awareness about PMJDY is dependent.

To check the significance of hypothesis **Chi Square Test was applied**. If the calculated value falls under the tabulated value then the hypothesis is rejected and If it is more than tabulated value then the hypothesis is accepted.

Table 2

Age	Yes	No	Total
20 to 25	51	3	54
25 to 30	6	0	6
30 to 40	0	0	0
40 to 50	1	0	1
50 & above	2	0	2
Total	60	3	63

Degree of Freedom (df) = (R-1)*(C-1)
 {R=no. of rows; C=no. of columns}

$$\Rightarrow (5-1)*(2-1) = 4$$

Now, let us calculate the expected values for the table.

$$E_{11} = (R_1 * C_1) / N$$

{N= total sum of column values}

$$\Rightarrow (54*60)/63$$

$$\Rightarrow 51.42$$

Similarly the expected values from the remaining observed values of the table were calculated. The table given below contains the observed value, the expected value and the square of their differences.

Table 3

Observed Value (O)	Expected Value (E)	$((O-E)^2)/E$
51	51.42	0.003
6	5.71	0.014
0	0	0
1	0.95	0.002
2	1.90	0.005
3	2.42	0.13
0	0.28	0.28
0	0	0
0	0.04	0.04
0	0.09	0.09

$$X^2 = \sum((O-E)^2)/E$$

$$\Rightarrow 0.564$$

Hence 0.564 is the calculated value of Chi Square.

The tabulated value at the level of significance 1% and 5% are 13.3 and 9.49 respectively.

Since the calculated value is less than the tabulated value, the hypothesis H_0 is rejected. And therefore the alternative hypothesis H_A is accepted.

Interpretation: It is evident from the Chi Square test that the awareness about PMJDY is dependent on the age of respondent.

5. CONCLUSION

As a conclusion, based on this study which reveals that most of the people are aware about PMJDY. They also know the insides of the scheme like accidental insurance, life insurance etc. Which shows that the attempt made to spread its awareness among the general public of India was a success. Study reveals that people feel it's a wonderful step taken by the Govt. of India to launch this scheme which is beneficial for all and encourage saving habits among masses. This scheme will be beneficial to increase economic growth of the Nation and reduce poverty; also this scheme will prevent ignorant groups of the society to be exploited by the informal sources like money lenders. And awareness regarding this scheme is dependent on age group as the results shown by chi square test, which is also tallied by the responses regarding awareness.

6. References:

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Website Links

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