

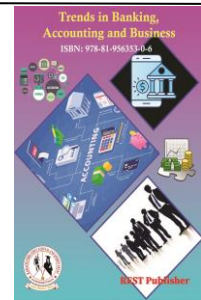


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# Observed Study on Pradhan Mantri Jan-Dhan Yojana (Pmjdj) With Particular Reference to Krishnagiri District

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**Abstract:** As India is a developing country having low per capita income, poverty, unemployment etc. Financially inclusion plays a very vital role to financially aware of the people of rural area to promote their saving as well as boost their saving habits of rural areas. The main aim of Pradhan Mantri Jan Dhan Yojana is to provide the financial benefits to develop the economic level of the country. Objectives of this paper as to find out the awareness level of the people of the rural area and also urban area of the Krishnagiri district and also to know the benefits under this scheme reach to the people. Questionnaire and survey method use to collect the data from the 125 respondents. The data was analyzed through Microsoft Excel, SPSS by using the statistical tools like Anova, T-test, F-test, Z-test and Regression. By analysis using Anova there was a statistically significant difference between gender and PMJDY promotes the habit of saving as demonstrated by Anova C value (7.44) P value (0.05). From the overall survey of PMJDY show that there is a lack of awareness among the people. The present study concludes that by introducing PMJDY scheme the government and RBI is able to bring a large number of people to formal financial channel and thereby helps in removing financial exclusion.

**Key words:** Financial inclusion, Pradhan Mantri Jan Dhan Yojana, RBI, Economic, per capita income.

## 1. INTRODUCTION

Financial inclusion is the process of ensuring access to financial product and services and to make them financially literate. Financial inclusion programme may leads to promote saving and boost the economic growth. In India financial inclusion has always given emphasis since 1969 when bank were nationalized, the strategy for addressing the banking needs of the poor has been biased toward providing credit, neglecting other aspect, such as building a deposit base, providing credit, neglecting other aspect such a culture of saving or extend a payment network. However over a period of time Indian Govt is very much conscious about the financial inclusion programme. PMJDY is one of such programme initiated by our honourable P.M. Narendra Modi in 28 August 2014 to eradicate Financial literacy and developed a culture of saving among the large segment of the society. The scheme has been started with a target to provide universal access to banking facilities starting with “Basic saving Bank account with an over draft up to 5000 subject to satisfactory operation in the account for six month and Rupay Debit card with inbuilt accident insurance cover Rs 2,00,000.

### Objectives of the study

- To study the socio economic profile of PMJDY account holders in Krishnagiri District
- To analyze the level of awareness about the scheme
- To learn the preference of reason for opening PMJDY account
- To suggest measure to improve the financial inclusion

### Scope Of the Study

- Basic savings bank account: The PMJDY provides every household with access to a basic savings bank account with no minimum balance requirement.
- Overdraft facility: Account holders can also avail of an overdraft facility of up to Rs. 10,000 after satisfactory operation of the account for six months.
- Insurance cover: Account holders are eligible for accidental insurance cover of up to Rs. 2 lakhs and life insurance cover of Rs. 30,000.
- Access to credit: The PMJDY also aims to provide credit to account holders through various schemes such as the Mudra Yojana.

- Direct Benefit Transfer (DBT): The scheme enables beneficiaries of government subsidies and welfare schemes to receive their payments directly into their bank accounts, eliminating intermediaries and ensuring timely payment.

## 2. LITERATURE REVIEW

Anjesh and Veershetty (2020) the study aimed to explore the awareness, usage and opinion of the user of PMJDY account holder. With the help of structured questionnaire, then primary data were collected from 68 respondents in Shivamogga District in Karnataka. The author analyzed the data through Microsoft Excel, SPSS by using the statistical tools like frequency, percentage, chi-square test, from the analyze the author has found 88% of the respondents were aware about the PMJDY scheme and 65% of respondent recommend others to use PMJDY accounts Ravindra et al., (2020) has explained that the aim of PMJDY is to offer at least one bank account to each household within country. The study to examine the status of financial inclusion over the period from 28<sup>th</sup> August to 13<sup>th</sup> may 2020. With the support of secondary data the researcher has analyzed the number of account opened in rural sector banks. The result revealed that the rural sector contributed higher accounts opened under PMJDY in public, private and regional rural banks. Dr. S. Chiranjeevi and Dr. N. Kumar (2019) has explains the study of Financial Inclusion in North Eastern States of India. The paper analyzes the impact of PMJDY on financial inclusion in the North Eastern states of India. It also examines the challenges faced in the implementation of PMJDY in this region and the measures taken by the government to overcome these challenges. Surya (2018) has studied the level of awareness of the people of rural area of Odisha, district Sambalpur and the level of reach of benefits under this scheme. With the support of questionnaire, the researcher has collected 37 samples. The notable findings from Chi-square analysis were, there was no significant impact of demographic factors such as Gender, Income, Age, Educational Qualification, Marital status and Sources of Borrowing. The people of rural area are not aware about the different benefits under this scheme and many of them just opened the account because it's available in zero balance. Respondent have also pointed that there is no benefits are given under this scheme and Banks are suggesting opening the account to fulfill their target. Vedala and Uma (2018) have made the study on financial inclusion awareness through Pradhana Mantri Jan Dhan Yojana in Guntur District. With the Help of the primary data and the support of the questionnaire the author has been collected more than 150 samples. The author has used the statistical tools such as descriptive statistics, Independent T-test, ANOVA, Mean. The result revealed that irrespective of the gender people have awareness about PMJDY. The people of the rural area are agreeing that they are having less problems in taking up of financial products and services. Dr. M. Usha Devi and Dr. V. V. Subba Rao (2018) has made a study on Financial Inclusion in India The paper examines the impact of PMJDY on financial inclusion in India, especially among the marginalized sections of the society. It also analyzes the challenges faced in the implementation of PMJDY and the measures taken by the government to overcome these challenges. Dr. J. Venkateshwarlu and Dr. T. Srinivas Rao (2018): "A Study on Pradhan Mantri Jan Dhan Yojana (PMJDY) and Its Impact on Financial Inclusion in India". The study examines the implementation and impact of PMJDY on financial inclusion in India. It also analyzes the role of PMJDY in promoting financial literacy and awareness. Dr. V. R. Manikandan and Dr. K. Karthikeyan (2018) has made a study on evaluation of Its Progress and Challenges. The article evaluates the progress made by PMJDY in achieving its objectives and the challenges faced in its implementation. It also discusses the measures taken by the government to overcome these challenges and the role of PMJDY in promoting financial inclusion in India. Rifaya et al., (2017) has explained the present study to investigate the current status of PMJDY in India. The author has used the secondary data such as journals, articles, Websites and various magazines from the period of 2<sup>nd</sup> September 2014 to 28<sup>th</sup> December 2016. The study has analyzed that majority of the PMJDY accounts were opened in rural areas. The author pointed out that compare to public sector banks, performance of private sector bank is very low. Dr. Ramesh Kumar and Dr. Jyoti Sharma (2017): The article provides an overview of the PMJDY scheme and its objectives. It also discusses the key features of the scheme and its impact on financial inclusion in India. Dr. G. Balamurugan and Dr. K. Duraisamy (2017): The authors explains the impact of Pradhan Mantri Jan Dhan Yojana on Financial Inclusion in Indian. The paper examines the impact of PMJDY on financial inclusion in India. It also analyzes the role of PMJDY in promoting digital financial services and the challenges faced in its implementation.

## 3. RESEARCH METHODOLOGY

The researcher has collected the data keeping in view the primary data for the research study. The researcher has collected the data using structured questionnaire with sample unit of 125 respondents from the public regarding PMJDY. The questionnaire contained questions regarding the level of awareness and financial measures to be improved. The researcher has used particularly primary data for collection of information.

### **Research design:**

- **Primary data:** The primary data those which are collected fresh and for the first time and also it is original source of data. Data were are collected through questionnaires.
- **Descriptive research:** Descriptive research includes survey and facts finding enquiries of different kinds. The

major purpose of descriptive of the state, as it exists at present. The main characteristics of this method is that the researcher has no control over the variable the researcher can only report what has happened or what is happening

- **Sampling:** Through the primary purpose of research is to apply the conclusion for universal application. It is difficult to study the whole population hence we need to select a small g group and we select some of the element of the population with the intension of finding not something about the population from which the key is taken we refer to that element as sample.
- **Simple random sampling:** A probability sampling is also known as "change sampling". Under this sampling design every item of universe has equal chance of inclusion in the sample. It is a form finite population refers to the method of sample selection is based on piece of paper, which gives each possible sample combination on equal chance of being included in the sample

#### 4. DATA ANALYSIS

**Percentage analysis:** Percentage analysis is a method of analyzing data in which the figures are expressed as a percentage of a particular base or total. This type of analysis is commonly used in various fields, including finance, economics, and statistics, to better understand the relative proportions of different variables. A percentage analysis is used to give a particular representation at the respondents view point column diagram are used in this tool.

Percentage

$$\text{Number of respondents} = \frac{\text{Number of respondents}}{\text{Total number of respondents}} * 100$$

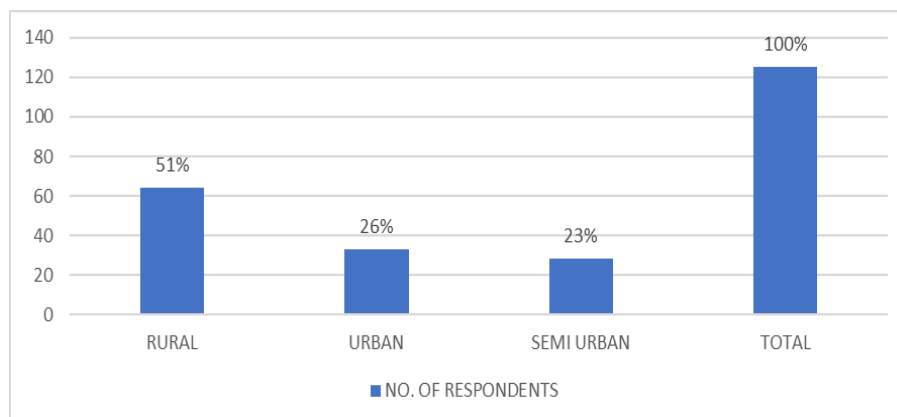
#### Area Of Residence Analysis

**TABLE 1.** Of Area of Residence

Particulars	No. Of respondents	Percentage
Rural	64	51%
Urban	33	26%
Semi urban	28	23%
Total	125	100%

Source: Primary data

#### Chart Of Area of Residence



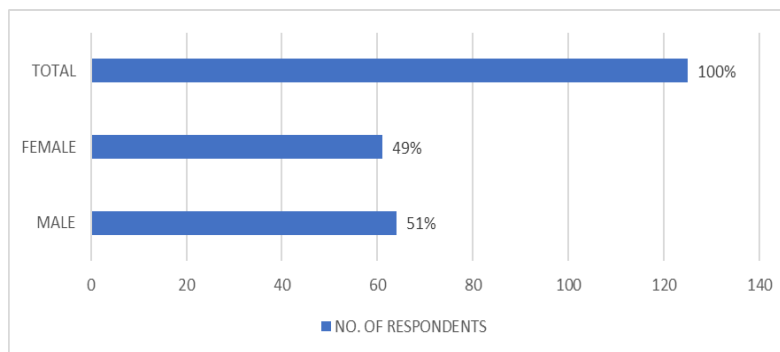
**FIGURE 1.****Interpretation:**

From the responses it can be seen that out of 125 responses 51% are rural i.e., 64 persons and 26% are urban i.e., 33 persons and 23% are semi urban i.e., 28 persons.

**5. GENDER ANALYSIS****TABLE 2.** Of Gender

Particulars	No. Of respondents	Percentage
Male	64	51%
Female	61	49%
Total	125	100%

Source: Primary data

**FIGURE 2.** Chart Of Gender**Interpretation:**

From the responses it can be seen that out of 125 responses 51% are male i.e., 64 persons and 49% are female i.e., 61 persons

**ANOVA**

Analysis of variance (ANOVA) tests the hypothesis that the means of two or more populations are equal. ANOVA assess the importance of one or more factors by comparing the response variable means at the different factor levels. The null hypothesis states that all population means are equal while the alternative hypothesis states that at least one is different. To perform an ANOVA, must have a continuous response variable and at least one categorical factor with two or more levels.

**FORMULA**

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Squares (MS)	F
Within	$SSW = \sum_{j=1}^k \sum_{i=1}^l (X - \bar{X}_j)^2$	$df_w = k - 1$	$MSW = \frac{SSW}{df_w}$	$F = \frac{MSB}{MSW}$
Between	$SSB = \sum_{j=1}^k (\bar{X}_j - \bar{X})^2$	$df_b = n - k$	$MSB = \frac{SSB}{df_b}$	
Total	$SST = \sum_{j=1}^n (\bar{X}_j - \bar{X})^2$	$df_t = n - 1$		

Null Hypothesis (Ho): Null hypothesis that there is no significant difference between specified populations, any observed difference being due to sampling or experimental error. There is a no significant relationship between the gender and PMJDY promotes the habit of saving. Alternative Hypothesis (H $\infty$ ): Alternative hypothesis is the same as your research hypothesis. In other words, it's the claim that you expect or hope will be true. There is a significant relationship between the gender PMJDY promotes the habit of saving.

**TABLE 3.** Anova: Single Factor

**SUMMARY**

Groups	Count	Sum	Average	Variance		
Gender	125	189	1.512	0.251871		
PMJDY promotes the habit of saving	125	424	3.392	1.772516		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	220.9	1	220.9	218.2389	7.44E-36	3.879228
Within Groups	251.024	248	1.012194			
Total	471.924	249				

Level of significance: Significance level = 0.05%, Inference: P value is more than 0.05. Hence it is Null Hypothesis

**Interpretation:**

There was a statistically significant difference between gender and PMJDY promotes the habit of saving as demonstrated by Anova C value (7.44) P value (0.05).

**Findings**

- From the overall survey of PMJDY show that there is a lack of awareness among the people.
- The survey shows that 51.2% of the peoples are belong to the rural areas.

- The study shows that 70.4% of respondents face the challenges while operating of PMJDY account.
- 30.4% of respondents are agree with opening the account is easy on PMJDY scheme.
- 35% of respondents are agreeing with the lack of adequate information about the scheme.
- 48% of respondents strongly agree that PMJDY scheme supports for the financial needs of people.
- 24% of respondents disagree that delay in processing of account.
- 7.44% statistically significant difference between gender and PMJDY promotes the habit of saving as demonstrated by Anova.
- 0.74% statistically significant difference between gender and insurance provide under the scheme as demonstrated by F-test.
- 1.97% statistically significant difference between PMJDY helps in reducing the dependence on informal sources and insurance provide under the scheme not adequately as demonstrated by T-test
- 1.64% statistically significant difference between gender and behavior of employee is not supportive demonstrated by C value Z- test.
- 0.012% statistically significant difference between gender and its help in solving the financial need of the people demonstrated by regression.

**Suggestions:**

- Government need to take measures to provide the adequate information about the PMJDY scheme to the public.
- Level of awareness about the scheme can be improved by publishing the advertisement through the social Media's.
- Employees who are working in the bank needs to fulfill the requirements of the customers regarding PMJDY scheme.
- Banks need to provide the required services to their customers to access PMJDY accounts.
- As like rural areas the urban areas peoples need to utilize the benefities of PMJDY scheme.

## 6. CONCLUSION

Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all the sections of the society in general and vulnerable groups at an affordable cost in a fair and transparent manner by the main stream institutional players. All the benefits such as financial inclusion, financial stability and financial freedom are expected to get through the PMJDY, to the poor and the underprivileged people in rural, semi-urban and urban areas. Banking on change should inspire and catalyze further action by governments, banks and donors alike to break down the barriers to financial inclusion for poor people. Financial inclusion requires sustained efforts over many years and emphasis on quality rather than quantity should be the priority. Government should review the speed at which it is currently targeting to achieve the goal of covering the whole India with bank accounts. Certainly with a firm intent and infrastructural network of institutions the dream of financial services for all can be realized in the future. A bold step in indeed required to withstand the heat of economic down surge and fight poverty, and the PMJDY is definitely a good fighting mechanism to check the poverty in India. The growth in deposits due to PMJDY translates into capital formation when channeled as savings and investments. This in effect leads to economic growth in India.

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