

Project report for mba banking and finance

Business



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Retail means sale of goods in small quantities, it is concerned with buying of goods in small quantities from the wholesaler and selling them in small quantities to the ultimate consumers as per their requirements. The person engaged in this trade is called the “retailer”. He acts as a link between the wholesaler and the customers.

In retail trade goods are sold to the ultimate consumers for personal use and for the use of the business in small quantities only. The retailer does not specialize in a particular line or a particular product. Rather he maintains a large variety of goods.

Generally, sales are limited to a local and on a small scale. MEANING OF BANKING Banking has come to occupy a pivotal position in a nation’s economy.

According to the modern concept, banking is a business which not only deals with borrowings, lending and remittance of funds, but also an important instrument for fostering economic growth. The Banking Regulation Act 1949, defines the term banking as “the accepting for the purpose of lending or investment of deposits of money from the public or otherwise and withdrawable by cheque, draft, order or otherwise.” Thus, the essentials of banking are: 1) There should be acceptance of deposited. (2) Deposits should be from the public. (3) Deposits should be repayable on demand or expiry of a term or after a specified periods

With financial sector reforms gathering momentum, the banking system is facing increasing companies from non-banks and the capital market. More and more companies are tapping the capital market directly for finance.

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This is one of the main reasons for the banks to focus vigourously on the much ignored retail deposits. Another reason is the current liquidity the margins are 1 to 2 percent above the prime rate; in retail market they are 3to4 percent.

It is reported that Indian retail market has the potential to be second only to the USA. National Readership Survey 5puts Indian households with monthly of over Rs. 5000 at 4.

5 million. According to the survey, the category of households with annual income of Rs. 2 lakhs and above is growing at the rate of 30 per cent per annum. No winder, banks with vision and insight are trying to woo this market through a series of innovative additions to their products, services, technology and marketing methods.