



**“An Analysis of General Banking Activities of  
Janata Bank Limited: A Study on Mirpur Corporate Branch, Dhaka”**



**Date of Submission: 24 May, 2014**

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## **Internship Report**

**On**

**An Analysis of General Banking Activities of  
Janata Bank Limited: A Study on Mirpur Corporate Branch, Dhaka**

### **Submitted to**

Sheikh Abdur Rahim  
Assistant Professor and Head  
Department of Real Estate and Department of Commerce  
Faculty of Business and Economics  
Daffodil International University

### **Submitted by**

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**Date of Submission: 24 May, 2014**

## Letter of Transmittal

Date: 24 May, 2014

To  
Sheikh Abdur Rahim  
Assistant Professor and Head  
Department of Real Estate and Department of Commerce  
Faculty of Business and Economics  
Daffodil International University

**Subject: Submission of Internship report on “An Analysis of General Banking Activities of Janata Bank Limited A Study on Mirpur Corporate Branch, Dhaka”.**

Dear Sir,

This a great pleasure to submit my internship report on "**An Analysis of General Banking Activities of Janata Bank Limited A Study on Mirpur Corporate Branch, Dhaka**". It was a golden opportunity for me knowledge and practical experiences regarding the procedures and functions while working at the Mirpur Corporate Branch of Janata Bank Limited. So, I firmly believe that, these knowledge and experiences will help me in my professional life.

I have tried hard to fulfill your expectations by sharing details of each and every topic and avoiding unnecessary amplification of the topics.

Therefore, I will be very much glad to hear from you for further clarification.

Sincerely yours,

-----

Md: Abdul Hadi  
ID: 102-11-1520  
Major in Accounting  
Department of Business Administration  
Faculty of Business and Economics  
Daffodil International University

## Declaration

I, Md: Abdul Hadi, hereby declare that the report of internship titled "**An Analysis of General Banking Activities of Janata Bank Limited: A Study on Mirpur Corporate Branch, Dhaka**" is Prepared by me after completion of two and a half months work in Janata Bank Limited.

I also would like to confirm that, the report is prepared exclusively for academic purpose not for any other purposes.

.....  
Md: Abdul Hadi  
ID: 102-11-1520  
Major in Accounting  
Department of Business Administration  
Faculty of Business and Economics  
Daffodil International University

## Approval Certificate

This is to certify that Md. Abdul Hadi, ID. 102-11-1520, major in Accounting is a regular student of Bachelor of Business Administration under the department of Business Administration, Daffodil International University. He has successfully completed his internship at Janata Bank Ltd, Mirpur Corporate Branch Dhaka and he has prepared his internship report under my supervision. His assigned Internship topic is **“An Analysis of General Banking Activities of Janata Bank Limited: A Study on Mirpur Corporate Branch, Dhaka”**. He is permitted to submit the internship report for presentation.

I wish him every success in life and expect a great future.

.....  
Sheikh Abdur Rahim  
Assistant Professor and Head  
Department of Real Estate and Department of Commerce  
Faculty of Business and Economics  
Daffodil International University

## **Acknowledgement**

First of all I like to give the greatest gratitude to my almighty for making me enable to make this report.

I express my heartiest gratitude and deepest respect to my teacher SHEIKH ABDUR RAHIM supervisor of my internship program for his brilliant and excellent guidance and assistance to complete this report.

My sincere gratitude go to senior Executive officer, of The Janata Bank Ltd, Mirpur-1 Corporate Branch, Dhaka for giving the excellent opportunity and support me to complete my internship report.

He guided me from the initial conceptualization to planning and designing the report. My faculty advisor guided me in proceeding with the report works. He suggested me with additional directions. For them I could complete my internship along with this report successfully.

I would also like to thank all the officials of Janata Bank Ltd., especially the officer in Deposit section, officers in bills and remittance dept. of the branch. Working with them Has been a pleasant experience. From the very beginning they welcomed me cordially, Which made my internship and my job much easier and enjoyable. I warmly thank them for their support.

And, lastly I would like to thank all the respondents of my survey at desk of the Branch. Out of their busy schedule they made time for me and provided me with useful information. I thank all of them for their cooperation.

## **Executive Summary**

JANATA Bank Limited offers to explore the world of progressive Banking in Bangladesh. It is a state owned commercial bank and is catering the need of the mass business people. It was corporatized on 15<sup>th</sup> November 2007. Janata Bank was born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country.

JANATA Bank Limited (JBL) is the second largest public commercial bank among the others public bank in Bangladesh. The Bank has set up a new standard in financing in the Industrial, Trade, Agriculture and Foreign exchange business. Its various deposit & credit products have also attracted the clients-both corporate and individuals who feel comfort in doing business with the Bank. Realizing the growing significance of marketing in banking sector to exist successfully in today's competitive banking industry, JBL practices its marketing strategies seriously and adopt proper elements of marketing mix. It targets the customer segments analyzing their financial need and offer highly customized products and services to the target customers. JBL offer a reach portfolio of bank products including deposit products, loan and advance products, remittance products, cards, international business products, and other services. JBL sets competitive rates of interest and commission for various bank products which in most of the cases are almost same to the competitors. It also attempts to reach its services to the door level of customer by increasing its number of branches and ATM booths, and extending mobile and online banking services. It also performs moderate level of promotional activities. It tries to maintain strong customer relationship and acquire more customer base by proving quality services understanding financial needs of customers and offering services accordingly.

The commitment of the bank and the people's belief in JBL have given the edge over others to earn this trust about the safe keeping of their money in the right kind of Banking channel.

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## **CHAPTER - ONE**

### **INTRODUCTION**

## **1.1 Introduction**

Banking has a long and rich history. It started as a result of people's need. And with ages it has been playing an important role in fulfilling the dire needs of businessmen and others. As the size and complexities of business is increasing day by day banking sector is also providing various innovative services with basic functions to increase size but to reduce the complexities.

Modern banking is a result of evolution driven by changing economic activities and life styles. Entering in to a new millennium, banking needs have become more diverse and exotic than ever before. It is known now that commercial bank is a profit maximizing institution. Hence it should provide loans to those sectors in which its return is higher. But the nationalized commercial banks are conducting banking business with different purposes. The main purpose is not just to make profit but also to maximize the social benefit. The main functions of commercial banks are as follows:

A commercial bank collects and manages deposits. It provides cheque facilities and interests for its customer deposits which may be either demand or time deposits of different maturity.

A commercial bank extends credit to a great variety of borrowers through loans as well as by purchasing securities that are either fully or partly financed by commercial banks.

Commercial banks provide a variety of other services to their customers as for example remittance facilities, credit information about customers, financial advice, collection of debts and dues etc.

Banks also provide a number of trust services to their customers. These services may either corporate trust services, which arise in connection with the issue of bonds; personal trust services under which they manage property on behave of their clients or corporate pension funds that provide retirement benefit for their employees.

## **1.2 Origin of the Study**

This report has been prepared as a part of the internship program, which is an integral part of the BBA Program .Under this program a student has to take a total of 128 credits. A student has to take a 3-month internship program to an organization. This will give a practical orientation of his/ her theoretical study. After completion of the program she/ he has to submit an internship report to the department and defense the report. So this report is originated as part of the course requirement of the BBA program.

This report on “General Banking System of Janata Bank Limited” was assigned by academic supervisor SHEIKH ABDUR RAHIM, Assistant Professor, Daffodil International University, Dhaka.

## **1.3 Statement of the Problem**

Janata Bank Ltd. is one of the largest commercial bank, which plays a vital role in the economic development of the nation through saving and credit. It diverts and allocates the funds in all over the country, which are aimed to develop country’s economy and add national wealth.

### **This study answers the following questions:**

What are the necessary documents to open an account?

How different types of accounts are opened?

How different types of accounts are closed?

How DD, TT, PO are issued and cancelled?

## **1.4 Objectives of the Study**

The objectives of the study are as follows:

1. To reveal the general banking activities of Janata Bank Limited, Mirpur Corporate Branch, Dhaka
2. To find out the problems (if any) relating to the general banking activities of Janata Bank Limited, Mirpur Corporate Branch, Dhaka
3. To recommend some suggestions based on findings

## **1.5 Methodology of the Study**

The methodology of the study has been designed in the following ways:

### **1. Data Sources**

- (a) Primary Sources
- (b) Secondary Sources

### **2. Data Collection Methods**

The primary data has been collected in the following ways:

- ❖ Direct communication with clients
- ❖ Sharing the experience and knowledge of my colleagues.

The secondary data has been collected in the following ways:

- ❖ Annual report of Janata Bank Ltd.
- ❖ Web site of Janata Bank Ltd.

### **3. Data Analysis Technique**

After collecting the data, it was analyzed by Microsoft word. Then the findings were made. Based on the findings, the present situation was explained and recommendation was made.

## 1.6 Limitations of the Study

The present study was not out of limitations. But as an internee it was a great opportunity for me to know the banking activities in Bangladesh - especially of Janata Bank. Some constraints are appended bellow:

- ❑ **Lack of Information or Data:** Adequate and in-depth well-organized information is not available for access. Though the officials tried to assist, sometimes their working pressure couldn't give me proper assistance what I needed. There is some information which need special permission from top level is not always achievable.
- ❑ **Time Constraint:** It is something like impossible to cover the entire Overall Banking Performance and performance phenomena exploiting a three month time period while an employee or an officer is awarded with one or two year probationary period to do his or her particular job.
- ❑ **Secrecy of Information:** Some of the information needed to explore the current marker scenario of the company was not disclosed.
- ❑ **Comparison Status:** I have had no opportunity to compare the foreign exchange banking system of the Janata Bank with that of other contemporary and common size banks. I had compared the banks that information is available. It was mainly because of the shortage of time and internship nature.
- ❑ **Lack of Experience:** Though I have prepared many reports before, I had no experience of internship. So inexperience is one of the main constraints of the study.



## **CHAPTER - TWO**

### **COMPANY PROFILE**

## 2.1 Background

Janata Bank, one of the largest commercial bank in the country, was established under Bangladesh Bank (Nationalization) Order 1972 (Presidency Order of 1972). By taking over branches of former United Bank Limited and Union Bank Limited, were two private banks performing class banking over the country. After the birth of Bangladesh on 16th December 1971, newly formed Janata Bank for mass banking got special facilities from the government to work as nationalized commercial bank all over the country. With the increase of responsibility and by virtue of performance within a few years, it becomes the largest commercial bank of the country with 872 branches including 4 overseas branches at United Arab Emirates. It is linked with 1202 foreign correspondents all over the world.

## 2.2 Corporate Information

Name of the Company	: Janata Bank Limited
CEO & Managing Director	: S.M. Aminur Rahman
Legal Status	: Public Limited Company
Registered Office	: Janata bhaban 110, Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital	: Tk. 20000 million (approx. US\$ 289.85 million),
Paid up Capital	: Tk. 5000.00 million,
Reserve	: Tk.8202.00 million
Total asset	: Tk. 282423.00 million (as on 30 <sup>th</sup> Nov 2009)
Number of Branches	: <b>872</b> br. including 4 overseas branches at U.A.E
Phone Number	: <b>9551337, 9565384, 9567675, 9560000, 9560027-30, 95556245-49</b>
Website	: <a href="http://www.janatabank-bd.com">www.janatabank-bd.com</a>



## 2.3 Awards

Recently The Bank has been recognized internationally and domestically for its good performance.

### **International Award -"World's Best Bank Award-2009 in Bangladesh**

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2009 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Strategic relationships, Customer Service, Competitive pricing and innovative products.

### **International Award -"World's Best Bank Award-2008 in Bangladesh**

Janata Bank Limited was awarded **Best Bank-Bangladesh** in the Global Finance, World's Best Bank Awards, 2008 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Strategic relationships, Customer Service, Competitive pricing and innovative products.

### **International Award -"World's Best Bank Award-2007 in Bangladesh**

Janata Bank Limited was awarded **Best Bank-Bangladesh** in the Global Finance, World's Best Bank Awards, 2007 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Customer Service, Product innovation and Advanced Technology.

### **International Award -"World's Best Bank Award-2006 in Bangladesh**

Janata Bank Limited was awarded **Best Bank-Bangladesh** in the Global Finance, World's Best Bank Awards, 2006 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Customer Service, Product innovation and Advanced Technology.

Besides the above mentioned awards, Janata Bank has achieved numerous awards from the beginning of its establishment.

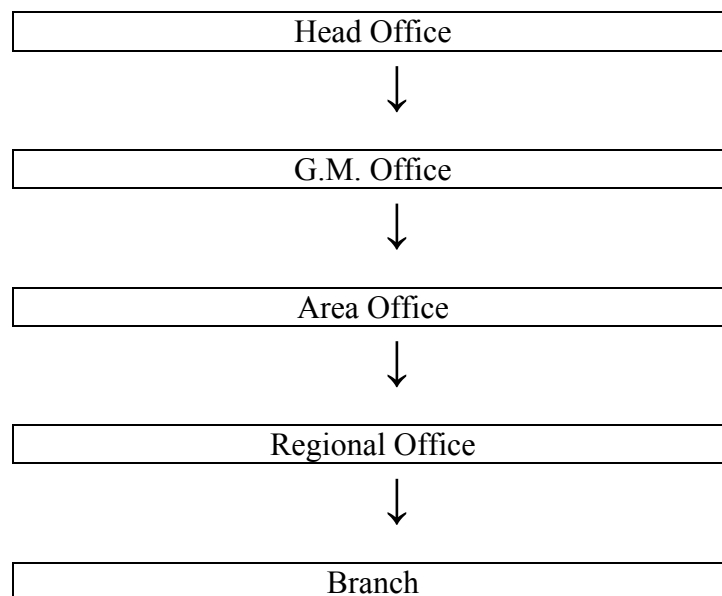
## 2.4 Management

The management of the bank is vested on a Board of Directors, subject to overall supervision and directions on policy matters by the board that is constituted in terms of Bangladesh Bank (Nationalization) Order 1972. Board of Directors, constituted by 13 (Thirteen) members, has authority to organize, operate and manage its affairs on commercial consideration within the Board Policy of government. There are directors appointed by the government. Other members of the Board including M.D are also government appointed out of that at least three have the experience in the field of Finance, Banking, Trade, Commerce, Industry and Agriculture. The managing director is the chief Executive of Bank.

## 2.5 Organization

Janata Bank is the largest commercial bank of the country. It has 860 branches through out the country and abroad to serve the nation. There are 4 overseas branches at U.A.E. The Head Office of the bank is located at Janata bhaban 110 Motijheel C/A, Dhaka. It has 15 GM, 77 DGM 192 AGM, 576 First AGM, 1037 SEO, 3085 EO and 460 AEO. Principal Offices are headed by First AGM and each department is headed by AGM.

Figure: 2.1 Functional Hierarchies



## 2.6 Number of Branches

### Area Offices

SL.	Name of Area Office	Address	SL.	Name	Address
Division: Dhaka					
01.	Faridpur	Faridpur Area Office, Khan Mansion, Mujib Road Faridpur Tele: 2709	08.	Khulna	Janata Bank Bhaban 8, K.D.A. Commercial Area Dist - Khulna Postal Code - 9100 Tele : 722247, 724413
02.	Mymensing	Mymensing Area Office 44, K.C.Roy Road, P.S. Qutuwaly Dist. Mymensing Phone -54769, 55744	09.	Kushtia	18/25 Raja Pramad Bhushan Dev Roy Road P.O: Mohini Mills P.S: Kushtia Dist.: Kushtia Post Code : 7001 Tele : 54243, 53059
03.	Jamalpur	P.O. - Station Road P.S. Sadar Dist. - Jamalpur Postal Code - 2000 Tele - 3542, 3018	Division: Rajshahi		
04.	Narayangonj	Post Box No--13, Bangabandhu road, Dist. - Narayangonj Tele:-- 7633924,7633925	10.	Bogra	Area Office, Gohail Road Dist. - Bogra Postal Code - Tele---6624, 3449, 5415
05.	Tangail	Pradhan Sarak P.O - Tangail P.S - Tangail Dist - Tangail Postal Code - 1900 Tele- 54231,53732	11.	Dinajpur	Maldahapatti P.O. - Dinajpur P.S. - Kotwali Dist. -Dinajpur Postal Code : 52 Tele : 4507 , 5110
Division: Chittagong			12.	Pabna	Court Road, Pabna Post Code : 6600 Telephone: 6366, 6368, 5172

06.	Noakhali	Area Office, Noakhali P.O. - Noakhali P.S.- Noakhali Sadar Dist - Noakhali Postal Code : 3800 Tele : 5643, 5616	13.	Rajshahi	Area Office, Rajshahi Kakoli House 97/85, Greater Road Kazihata, Rajshahi Post Code : 6000, Tel-774570, 9003491
Division: Khulna					
07.	Jessore	Jess Tower 39 - M.K.Road P.O. - Jessore P.S. - Jessore Sadar Dist. - Jessore Postal Code - 7400 Tele: 73447, 6041			
<b>Total : 13</b>					

### List of Branches

Local Office	1
Corporate-1 Branch	12
Corporate-2 Branch	41
Overseas Branch	04
Grade-1 Branch	204
Grade-2 Branch	209
Grade-3 Branch	294
Grade-4 Branch	107
<b>Total Branches :</b>	<b>872</b>

## 2.7 Number of Employees

**Name & present place of posting of Managing Director, Deputy Managing Director & General Manager of Janata Bank Limited:**

SL.	Name	Designation	Telephone No.	E-Mail Address
01.	S.M. Aminur Rahman	CEO & Managing Director	Off -880-2-7169287	<a href="mailto:md@janatabank-bd.com">md@janatabank-bd.com</a>
02.	Md. Golam Sarwar	Senior Consultant (Deputy Managing Director )	Off -880-2-9552348 Res-880-2-8252666	<a href="mailto:dmdch1@janatabank-bd.com">dmdch1@janatabank-bd.com</a>
03.	Md. Nurul Amin	Deputy Managing Director	Off- 880-2-9551216	<a href="mailto:dmdch3@janatabank-bd.com">dmdch3@janatabank-bd.com</a>
04.	Tapon Kumar Ghosh	Director (DMD), Janata Bank Training Institute	Off -880-2-9333922	<a href="mailto:jbti@janatabank-bd.com">jbti@janatabank-bd.com</a>
05.	Shihabuddin Md. Shahjahan	General Manager (Divisional Office, Dhaka South)	Off- 880-2-9558509 Res-880-2-9359250	<a href="mailto:jbd-dhk@janatabank-bd.com">jbd-dhk@janatabank-bd.com</a>
06.	Md. Ayet Ali	General Manager (Special Assets Management Division)	Off- 880-2-9556217 Res-880-2-7542865	<a href="mailto:gmch2@janatabank-bd.com">gmch2@janatabank-bd.com</a>
07.	Dr. Hafiz Md. Hasan Babu	General Manager (IT) (IT & MIS Division)	Off- 880-2-7175433 Res-880-2-9571911	<a href="mailto:hasanbabu@janatabank-bd.com">hasanbabu@janatabank-bd.com</a>
08.	M. Zahirul Alam, FCA	General Manager(Audit) (Internal Audit Division)	Res-880-2-9666535	<a href="mailto:zahirul@janatabank-bd.com">zahirul@janatabank-bd.com</a>
09.	Bhismadev Mondal	General Manager (Khulna Division)	Off- 880-41-721080	<a href="mailto:jbdkln@bttb.net.bd">jbdkln@bttb.net.bd</a>
10.	Md. Sirajul Islam	General Manager (Law & Compliance Division)	Off- 880-2-9554842	
11.	Md. Alamgir	General Manager	Off- 880-2-	

	Miah	(Divisional Office, Dhaka North)	9567465	
12.	Md. Aminul Islam	General Manager (Local Office)	Off- 880-2-9553106	<a href="mailto:lo@janatabank-bd.com">lo@janatabank-bd.com</a>
13.	Md. Mohsin	General Manager (Rangpur Division)	Off- 880-0521-62277	
14.	Md. Abu Bakar Siddique	General Manager (Human Resources Division)	Off- 880-2-9553330	
15.	Md. Awlad Hossain	General Manager (Rajshahi Division)	Off- 880-0721-775725	
16.	Noor Muhammad	General Manager (Accounts & Financial Management Division)	Off- 880-2-7175218	
17.	Md. Daud Ahmed Sikder	General Manager (Corporate and Retail Customer Division)	Off- 880-2-9554842	
18.	Md. Mamtaz Uddin Maishan	General Manager (Chittagong Division)	Off- 880-31-715392	
19.	S. M. Masud Ul Alam	General Manager (Comilla Division)		
20.	Md. Golam Faruk	General Manager (Barisal Division)	Off- 880-431-64860	
21.	Md. Lutfor Rahman	General Manager (Sylhet Division)	Off- 880-821-714938	

**Statement of approved post, present manpower, vacant post and additional manpower  
of Janata Bank Limited as on May, 2013**

**Summary**

Designation Type	Approved Post	Working Manpower as on May, 2013	Vacant Posts as on May, 2013	Excess Posts as on May, 2013
1st Class	5398	4315	1083	-
2nd Class	6723	3948	2775	-
3rd Class	3629	2016	1613	-
4th Class	2071	2809	-	738
Total Manpower:	17821	13088	4733	

## **2.8 Vision**

To become the effective largest merchant bank in Bangladesh to support the development of capital market and to be a leading merchant bank in South Asia.

## **2.9 Mission**

Maintaining stable growth strategy by providing innovative and quality services to the valued customers, attaining highest level of professionalism, performing operations with high standard of business ethics and ensuring good corporate governance with the ultimate aim of creating a vibrant, sustainable and strong capital market in Bangladesh.

## **2.10 New Services Scheme**

- ⇒ Financing IT Sector
- ⇒ Financing of Industries
- ⇒ Ready Cash
- ⇒ Windows for SMEs
- ⇒ Loan to Travel Agencies
- ⇒ Loan to Diagnostic Centers
- ⇒ NRB Escrow Account
- ⇒ NRB Gift Cheque



## 2.11 Interest Rate

Janata Bank diversified its rate of interest on loan and advances in compliance with the interest rate policy declared by the government in 2005. To encourage the agricultural sector the rate of interest fixed to 2.0-16.0 percent and to increase the rate of industrial production and services industry, the rate of interest rate is fixed to 9.0-11.0 percent and 13.0 percent. Rate of interest of Janata Bank is given below:

Table: 2.1 Interest rate of Janata Bank

Year	Deposit				Loan and Advance		
	Savings Account	Short term deposit account	Fixed deposit account	Current account	Agricultural sector	Industrial sector	Consumer loan
2010	5.00 %	3.50 %	7.00-8.00 %	00	2-8%	12.0-14.00%	14.00%

Source: from deposit and advance officer of Respective branch.

## **2.12 SWOT Analysis of Janata Bank**

Each and every organization should be aware of their strengths, weaknesses, opportunities and threats. This analysis is known as SWOT analysis. The central purpose of SWOT analysis is to identify strategies that fit or match a company's resources and capabilities according to the demand of environment in which company operates. So the strategic alternatives generated by a SWOT analysis should be built on company's strengths in order to exploit opportunities and counter threats and to correct weaknesses.

SWOT analysis explains environment of an organization in two broad ways. They are:

- a) Internal Environment Analysis: It includes strengths and weaknesses.
- b) External Environment Analysis: It includes opportunities and threats.

### **SWOT analysis – Janata Bank**

During my internship period in Janata Bank I have found some aspects relating to the Bank's strengths, opportunities, weaknesses and threats, which I think, affect the bank's performance. These are given below:

#### **Strengths**

- As a large bank, it has qualified and experienced manpower.
- Branch location is suitable for business.
- Bank's assets position is quite satisfactory and now there is no fund crisis.
- Bank has requisite wealth to sustain in the various challenges of market economy
- Being a nationalized banking organization, it always gets government support in all of its operations.

### Weakness

- As many employers retired from the bank, there is a crisis for manpower in the bank.
- Bureaucrat official process hampered the daily internal workflow.
- Lack of motivation for the workers.
- Low salary structure for the employees.
- In some cases management-employee relation is not good.

### Opportunities

- Expansion of new investment areas.
- Scope for automation will open a big door of opportunity.
- In case of fund crisis Janata Bank gets government support.
- The bank undertakes need-based training program.

### Threats

- Newly developed privatized and foreign banks.
- Facing a great competition with other commercial banks and financial institutions.
- Loan recovery systems are very weak.
- Policies are not practiced properly.

## 2.13 Computer Service

To ensure qualified customer service Janata Bank has started computerization corporate client service and one stop service. **139** Major branches have already been computerized and a massive computerization program is going on. Janata Bank Limited, first among the Nationalized Commercial Banks in Bangladesh, has introduced **One Stop Service**. To facilitate the foreign exchange service, Janata Bank has launched Janata bank first among the nationalized commercial bank, has introduce ATM service system in its 12 branches. The bank launched Website, Reuter Service, Internet Service and Ready Cash Service. The bank has taken a plan to launch shared ATM system in various important places.

## 2.14 Computerization

Janata Bank starts its computerization process at December, 1989. After that it expands its computerization process by establishing RISE system (RS 16000) OS/2, LAN etc. Up to this month 139 branches are computerized system. Besides this, 'One Stop' is being given in its 23 branches. Moreover, Janata Bank is serving to the customers in the following ways:

- Foreign exchange business and standard of customer services are being increased and speed up of information flow by using the computerization system LAN (Local Area Network) and WAN (Wide Area Network).
- It has established Janata Exchange Company Srl. 100% owned subsidiary company of Janata Bank Limited established in 2002. JEC sends money from Rome through Electronic Fund Transfer ( EFT ) system by which Beneficiaries at Dhaka city get remittances on the next working day of remittances from Rome & Milan. Beneficiaries at other 63 District towns & other locations where courier services are available get remittances on the 2nd working days of remittances from Rome & Milan. The beneficiaries, who are maintaining accounts with other Janata Bank Limited branches in Bangladesh, will be able to withdraw money within 1 to 3 days of sending remittances.
- Recently SECI established a web based remittance software in UAE.
- Janata Bank Wage Earners Corporate Branch established electronic link with its branch in Middle East Branch through which remittance is sent. Besides this, five electronic links are in implementation process in Oman, Qatar and Bahrain.
- IFRMS (Instant Financial Reconciliation and Massaging System) has enabled the bank to remit fund by DD, TT and Inter Branch Debit/Credit advice. This has been started as an experimental but this system will be started among 300 branches soon.

## **2.15 Government Intervention**

Financial services have traditionally been the subject of close government scrutiny and it is expected that exchange rates, interest rates and terms of credit should be monitored in the public interest. In recent years governments have tried to use interest rates, credit regulations and informal controls on banks as a means of managing the supply of money in the economy in an effort to increase or reduce consumer spending and to hold or promote investment in business. From 1976 to now, these policies have added a new dimension of risk and uncertainty to financial markets, which have already fluctuated for various reasons such as inflation, exchange rate, oil crisis etc.

Sometimes government is a big problem for the nationalized bank in Bangladesh. Government forced to the nationalized bank to lend to government's priority sector, state-owned sectors, state-owned enterprises, sick industries, borrowers with political influence as well as provide exemption schemes to fulfill its pre-election commitment. The loan exemption program of 1986-87 and 1991-92 are 11.37% and 25.56% respectively of total bank loan outstanding. As a result nationalized commercial banks are burdened with very large classified loans (32% of total loans) against which very large provisions are made which affect profit position very adversely. Classified loan in the country's banking sectors on June 30, 1996 was 33.0% of total loans. It was 34.9% on December 31, 1993. Net income of local bank is reduced drastically for maintaining very large provisions for bad debts and interest suspense accounts.





## **CHAPTER - THREE**

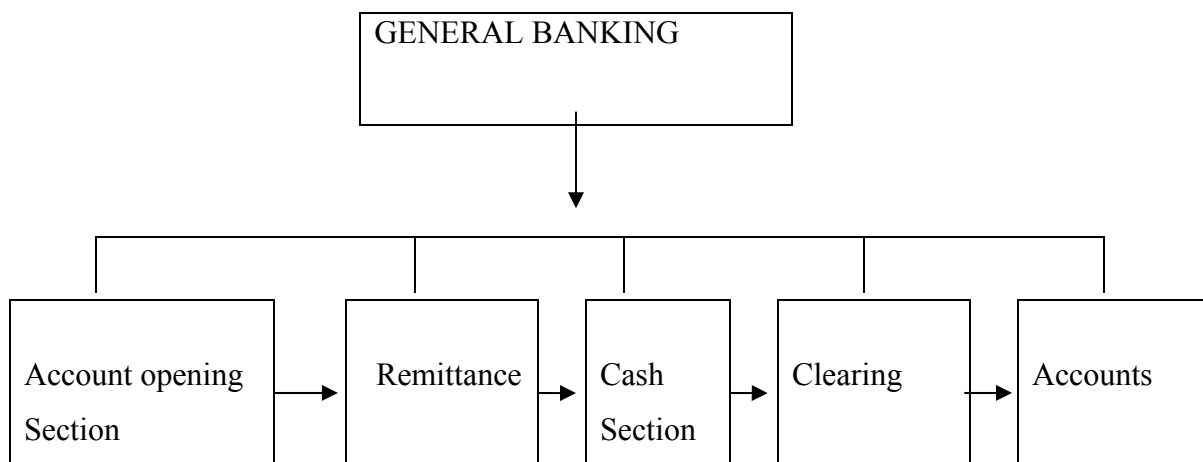
### **GENERAL BANKING ACTIVITIES OF JANATA BANK LIMITED, MIRPUR CORPORATE BRANCH, DHAKA.**

## General Banking Activities

General banking provides the foundation of banker customer relationship through opening account. This is the most busy department and the daily transaction of concerned to the customers for drawing or depository money, Selling of instruments, collection of their instruments providing other additional services to them and keep customer section busy. Officers of this dept should possess the required behaviors for optimum satisfaction of the customers. The Bank provides different type of accounts and special type of savings scheme under general Banking. For proper functioning and excellent customer service this department is divided into various section namely as follows

### 3.1 Definition of General Banking

General banking department performs the core functions of bank, operates day-to-day transactions of banking operation. Every day it receives deposits from customers and meets their demand for cash. It opens new accounts, remits customer's money from one place to another through issuing bank draft, pay order, telegraphic transfer, collects all bill like Local cheque collection, Inward bill collection and outward bill collection for customers. Since bank is bound to provide these services everyday, general banking is also known as retail banking.

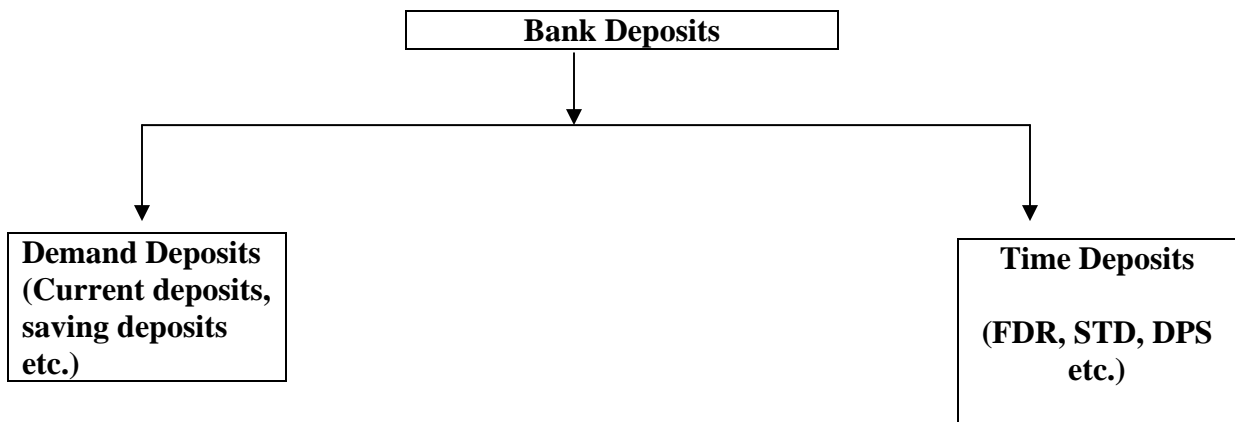




### 3.2 Collection of Deposit

Deposits are life-blood of a commercial bank. Without deposits there are no businesses for the commercial banks. Accepting deposits is one of the most important classic functions of commercial banks. Bank deposits can be broadly classified as follows:

1. Demand Deposits and
2. Time Deposits



Demand deposits can be withdrawn without any prior notice, e.g. current deposits. Janata Bank Gazipur Corporate Branch accepts demand deposits through the opening of

- Current Account and
- Savings Bank Account

On the other hand a deposit that is payable at a fixed date or after a period of notice is called 'Time Deposit'. This branch accepts time deposit through

- Fixed Deposit Receipt (FDR)
- Short Term Deposit (STD)
- Janata Bank Deposit Scheme (JBDS)
- Sanchoy Pension Scheme (SPS)

While accepting these deposits, a contract is done between the bank and the customer. When a banker opens an account in the name of a customer, there needs a contract between them. This contract will be valid only when both parties are agreeing to enter in to the contracts. As account opening initiates the fundamental relationship and the banker has to deal with different kinds of persons with different legal kinds of persons with different legal status and different personality and mentality, the officials of the branch remain very much cautious and vigilant about the competency of the customers.

### **3.3 Procedures for Opening of Accounts**

Before opening of a current or saving account, the customers must complete the following formalities.

1. Application on the prescribed form
2. Furnishing photographs (two copies)
3. Introduction by an account holder
4. Putting three specimen signature in the 'Specimen Signature Card'
5. Mandate (if necessary)
6. Voter ID card number.
7. Voter ID card of Nominee
8. Photograph of Nominee attested by account holder (1 copy)

After doing the above formalities, the branch provides the customer a pay-in-slip and a cheque-book. The cheque-book may be off 10 pages, 20 pages, 50 pages or 100 pages depending on the type of account the customer has opened. A customer has to fill up the 'Requisition Slip' for cheque-book. Then a new cheque-book will be filled with the account number of the customer and name of the branch in each page of the cheque-book. Then name and account number of the customer are registered in the 'Cheque-book Issue Register'. The requisition slips are maintained and recorded as vouchers. The serial number of the cheque-book is also entered in the computer for maintenance of records and to prevent any attempt of forgery.

### **3.4 Application Form for Current and Saving A/C**

Followings are the contents of the application form for opening saving and Current A/C in Gazipur Corporate Branch

1. Name of the Applicant:
2. Father's/ Husband's Name
3. Nationality
4. Occupation
5. Date of Birth
6. Present Address
7. Permanent Address
8. Introducer's Address
9. Information about the Nominee
10. Special Instruction for Operation of the A/C
11. Initial Deposit
12. Specimen Signature of the Applicant
13. Voter ID Number

In the case of joint A/C the following headings are additional in the form-

1. Operational Instruction of the A/C
2. Signature

In the case of partnership A/C, the following headings are additional in the form

1. Partners' Signatures
2. Partners' Names

### **3.5 Relevant Documents for Current and Saving A/C**

Types of attached documents usually vary with the nature of the A/C being opened. Followings are the list of documents that should be enclosed with the ‘A/C Opening Form’ for opening account for different kinds of A/C openers:

#### **In case of Club/Society**

- a. Up-to-date list of office bearers
- b. Certified copy of resolution for opening and operation of A/C
- c. Certified copy of by laws and regulations/constitution
- d. Copy of government approval (if registered)

#### **In case of Co-operative Society**

- a. Copy of by laws duly certified by the co-operative officer
- b. Up-to-date list of office bearers
- c. Resolution of the executive committee as regards of the A/C
- d. Certified copy of certificate of registration issued by registrar, co-operative society

#### **In case of Non-government College/School/Madrasha/Muktab**

- a. Up-to-date list of the members of the governing body/managing committee
- b. Copy of resolution of the governing body/managing committee authorizing opening and operation of the A/C duly certified by gazetted officer

#### **In case of Trustee Board**

- a. Prior approval of head office of the bank
- b. Certified copy of deed of trust, up-to-date list of members of the trustee board and certified copy of the resolution of trustee board to open and operate the A/C

### **In case of Minor's A/C**

- a. Putting the word 'Minor' after the title of the A/C
- b. Recording special instruction of operation for the A/C
- c. The A/C opening form is to be filled in and signed by either of the parents or the legal guardian appointed by the court of law and not by the minor

### **In case of Limited Company**

- a. Certified true copy of the memorandum and articles of association of the company
- b. Certificate of incorporation of the company for inspection and return with a duly certified photocopy for bank's records
- c. Certificate from registrar of joint stock companies that the company is entitled to commence business (in case of public limited company for inspection and return) along with a duly certified photocopy for bank's records.
- d. Latest copy of balance sheet
- e. Extract of the resolution passed in the general meeting of the company for opening of the A/C and authorization for its operation duly certified by the Chairman/Managing Director of the company
- f. List of Directors with addresses
- g. Authorized signature

### **General conditions or rules in respect of operating Current/Saving A/C in Gazipur Corporate Branch are as follows**

- a. A minimum balance of tk500 and tk1000 must be maintained in the Saving and Current A/C respectively.
- b. A suitable instruction by an introducer acceptable to the branch is required.
- c. Recent photographs of the A/C openers duly attested by the introducer must be produced
- d. Withdrawal of deposit can be made two times in a week in case of saving A/C
- e. For Saving A/C, an application must be submitted to the branch authority if withdrawal is tk50, 000 or more but customer rarely follow this rule.
- f. Interest rate for Saving bank A/C is 5% per year

### 3.6 Fixed Deposit Receipt (FDR)

Fixed deposits are deposits in which an amount of cash is deposited in bank for a fixed period specified in advance. Hence these deposits are time deposits or time liabilities. Normally, the money on a fixed deposit is not repayable before the expiry of the fixed period. At the time of opening the deposit account, the banker issues a receipt acknowledging the receipt of money on deposit account. It is popularly known as FDR. Necessary documents for opening a FDR A/C in **Gazipur Corporate Branch** are as follows-

- FDR form
- FDR card
- Photo of the Nominees attested by the A/C holder

The 'Fixed Deposit A/C Opening Form' contains the following headings-

- Amount in figures
- Period
- Rate of interest
- Beneficiaries name and address
- Special instruction in case of joint A/C
- Information about nominees
- Address of the applicants
- Specimen signatures
- FDR number

After opening a FDR A/C, it is usually recorded in the 'FDR Register'. In the case of Fixed Deposit Account, the bank needs not hold a cash reserve to repay money to the customers. The payment will be made after the completion of a certain period. Hence, Janata Bank Ltd offers a high interest rate in Fixed Deposit Account. The interest rates followed by Janata Bank Ltd for Fixed Deposit Account are-

Period	Interest rates
For 3 months to > 6 months	@7.00%
For 6 months to > 12 months	@7.50%
For 12 months to > 24 months	@7.75%
For 24 months to > 36 months	@8.00%

Normally a customer is not allowed to withdraw money before the expiry of the fixed period in case of Fixed Deposit Account. However, Janata Bank Ltd. allows its customers to withdraw fixed deposit amount at any time after giving a short notice. In this case the customers will get interest rate by the following ways-

- If withdrawal happens before 3 months, there will be no interest.
- If withdrawal happens before 6 months, 3 months' interest rate.
- If withdrawal happens before 1 year, 6 months' interest rate.
- If withdrawal happens before 2 years, 1 years' interest rate.
- If withdrawal happens before 3 years, 2 years' interest rate.

In case of ‘Before Maturity Encashment’ interest rate is calculated for the days from the date of opening the FDR account. The FDR becomes renewed automatically in Janata Bank Ltd. if the customer does not withdraw it within 7 days of maturity. In case of encashment of FDR (say for tk. x) in maturity, following accounting treatments are applied-

Interest on FDR A/C -----Cr (say tk p)  
 Excise Duty on FDR-----Dr (say tk q)  
 10% income tax on interest-----Dr (say tk r)  
 FDR A/C-----Dr (tk {x+p-q-r})  
 Cash A/C-----Cr (tk {x+p-q-r})

If the customer wants to draw the interest only, then the following entries are given-

Interest on FDR A/C-----Dr  
 Cash A/C-----Cr

Some other important factors in case of FDR A/C are as follows-

- FDR is not negotiable instrument.
- The legal position of a banker in respect of a fixed deposit is that of a debtor who is bound to repay the money only after the expiry of the fixed period.
- Cheques are not permitted for Fixed Deposit Account.
- Fixed Deposit Accounts are subject to Income Tax Act.

### 3.7 Short Term Deposit (STD)

In Short Term Deposit Account, the deposit should be kept for at least seven days to get interest. The interest offered by for STD is less than that of savings deposit. For this type of account, frequent withdrawal is discouraged and it requires prior notice. STD is also called ‘Seven Days Notice Current A/C’.

STD	Interest Rate
Up to 10 core	3.50%
Above 10 core	3.60%

In Gazipur Corporate Branch, customers are given an instruction that their current accounts will be debited whenever the deposited amount crosses a certain limit and this amount will be transferred to the STD account. The branch follows this instruction by giving the following entries-

Customer’s Current A/C-----Dr  
 Customer’s STD A/C-----Cr



### 3.8 Janata Bank Deposit Scheme (JBDS)

According to this scheme, a person of minimum 18 years old can open any ‘Janat Bank Deposit Scheme A/C’ by depositing at least tk.500 or maximum tk.20000 in each month for 10 years term. After maturity of the term, the depositor can withdraw the total deposited amount with interest or can withdraw by monthly installment. The depositor has to deposit the specified amount for him/her by the 11<sup>th</sup> day of each month either in cash or cheque. In respect of JBDS account, the depositor can select more than one nominee for claiming the deposited money after his/her death. No joint account is allowed in this scheme.

The main characteristics of JBDS are as follows-

- A system of secured income has been confirmed by JBDS for the depositor in their old age who invested money from their early incomes.
- A scope of proper and exact utilization of money is possible by JBDS.
- The total deposited amount with interest will be given to the investors and this is certain.
- The JBDS gives the investors a chance of bearing the educational or marital expenses of their adult sons or daughters.
- The total invested money in JBDS is absolutely income tax free. The earning from JBDS is not considered while charging the annual income tax.
- In JBDS, a 8.5% compounding interest rate is applied and it is usually calculated on yearly basis.
- Account holder can take lone on JBDS and Interest rate for loan id 2% more than JBDS rate (8.5% + 2% = 10.5%)

A depositor can withdraw the total amount of money (Principal + Interest) at the expiry of the certain period.

For JBDS, the payment systems in case of maturity of an account are as follows:

Amount of monthly installment	Period (years)	Payment in case of maturity of the period (tk)	Total Payment (tk)
500	10	60000	94609
1000	10	120000	188218
2000	10	240000	375435
5000	10	600000	937088
10000	10	1200000	1873176
20000	10	2400000	3745352

Source: Deposit Department, **Gazipur Corporate Branch.**

### 3.9 Sonchoy Pension Scheme (SPS)

Janata Bank Ltd. initiated this 'Janata Bank Ltd. Sonchoy Pension Scheme' in order to improve the socio-economic conditions of the professionals of all levels. This system is based on a monthly basis. The main characteristics of SPS are as follows-

- Duration of the account in this scheme is either five or ten years.
- Amounts of installments are tk.100, tk.200, tk.300, tk.400 tk500, or tk.1000
- Any person of minimum 18 years old can open a SDPS account in a specific form as provided by Janata Bank Ltd. in any branch. No lunatic is allowed to open this kind of account.
- A depositor should deposit his/her monthly installment by the 01<sup>th</sup> day of each month. If the 10<sup>th</sup> day is a public holiday, then deposit in next working day is allowed. The installment can be deposited either by cash or by cheque.
- The interest rates are, for five years duration 8.5% compounding interest rate and for ten years duration 9% compounding interest rate. In both cases interest is calculated on yearly basis.
- The depositor can have one or more nominees. In case of more than one nominee, the depositor can determine the portion of amount of money for each nominee.
- A customer can stop operation of his/her SPS A/C at any time according to his or her own discretion. In this respect, the bank charges tk.25 to the customer. If she/he stops the account within one year, no interest will be given. If he stops the account after one year but before three years, 5% simple interest will be given. If he cancels his account after three years but before five years, 7% simple interest will be given. If he withdraws his account after five years, then 8.5% simple interest will be given.

### 3.10 Transfer of Account to another Branch

The account holder requests to transfer his accounts by giving the following instructions-

- Reasons for transfer the account
- Address of the branch at which customer wants to transfer the account
- The unutilized cheque book will be returned to the transferring branch before transfer of account

After verification, the approval of the manager for transferring the account is obtained and then the specimen of the forwarding letter of transferee branch will be sent. After the application is received duly approved from the manager, the branch transfer the account based on the following entries-

Customer's Account-----	Dr
Transferee Branch Account-----	Cr
Service charge(income) -----	Cr

### 3.11 Closing of an Account

The following circumstances are usually considered in case of closing an account or justifying the stoppage of the operation of an account-

- Notice given by the customer himself or if the customer is desirous to close the account
- Death of the customer
- Customer's insanity and insolvency
- If the branch finds that the account is inoperative for a long period
- If Garnishee Order is issued by the Court of Law on the bank branch

Before the account is closed the manager will approve the application and closing charge being incidental charge which should be debited to the account. To close the account, the cheque book is to be returned to the branch. Accounting entries will be-

Customer's Account-----	Dr
Account Closing Charge (income) -----	Cr

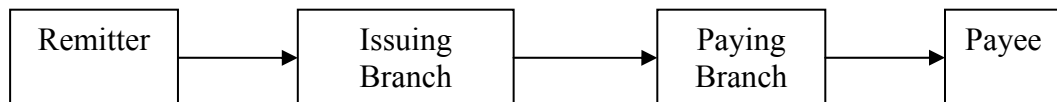
### 3.12 Bank Remittance

Remittances of funds are one of the most important aspects of the commercial banks in rendering services to its customers. Among various services rendered by the commercial bank to its customers, remittance facilities are very well known and popular. The word ‘Remittance’ means sending of money from one place to another place through post or telegraph. Banks extend this facility to its customers by means of receiving money from one branch of the bank and making agreement for payment to another branch within the country. In general there are two types of bank remittance-

1. Inward remittances and
2. Outward remittances.

The remittance facilities of a commercial bank enable its customers to avoid risk arising out of theft or loss in carrying cash money from one place to another or making payment to someone in another place. Banks take the risk and ensure payment to the beneficiary by charging the customer.

#### Chart for Bank Remittances Flow



Considering the urgency and nature of transaction, the modes of bank remittances may be categorized as follows-

- Demand Draft (DD)
- Mail Transfer (MT)
- Telegraphic Transfer (TT)

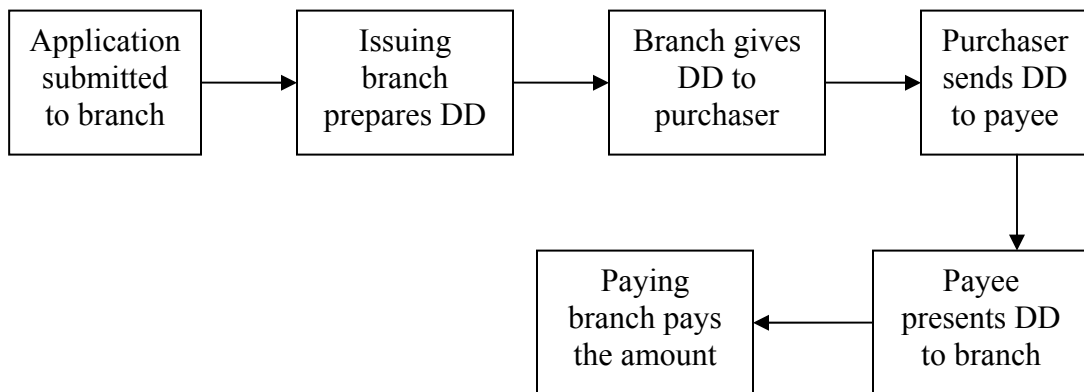
The following register books are maintained for remittance purpose-

- DD, MT, TT Issue Register
- DD, MT, Advice Received Register
- DD, MT, TT Payment Register
- DD Ex-Advice Payment Register

### 3.13 Demand Draft (DD)

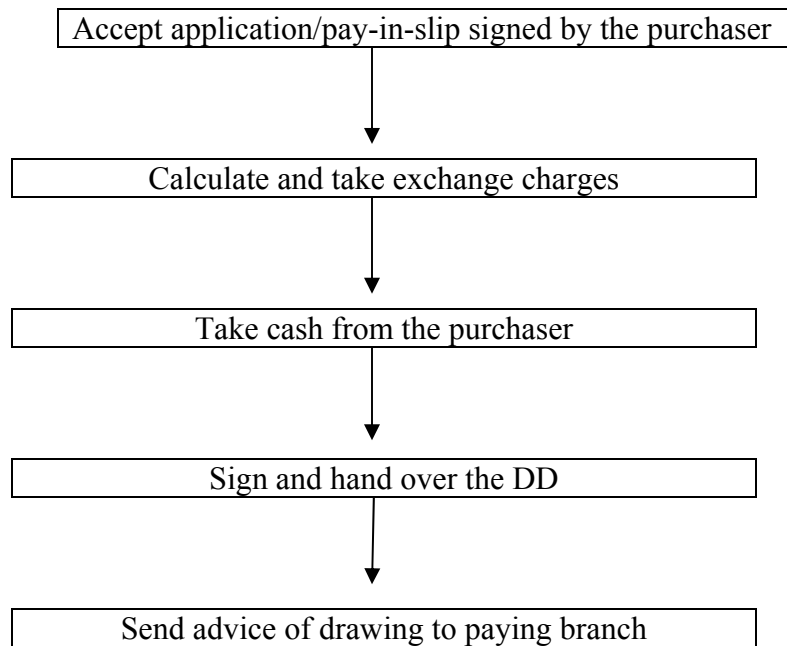
Demand Draft (DD) is an instruction payable on demand. It is a negotiable instrument issued by the branch of a bank containing an order to another branch of the same bank to pay fixed sum money to a certain person or order of demand. This instrument can be purchased by a customer from a particular bank for himself and can be handed over to the purchaser for delivery to the beneficiary. The payee or beneficiary will claim the amount of money in the instrument by producing the same to the concerned paying branch. Demand draft may be paid in cash to the payee on proper identification or the amount may be credited to his account (in case of A/C holder of the bank). Banks issue draft for nominal commission. The commission depends upon the amount to be transmitted. The purchaser of the DD needs not to be a customer or account holder of the bank.

#### Flow chart for a DD



### 3.13.1 Issuing of Demand Draft

While issuing a DD, an official must be confirmed about the existence of the branch where the DD is to be issued by the applicant or purchaser. Application on bank's prescribed form (F-117) for DD is duly filled and signed by the applicant. Thereafter, the applicant will be asked to deposit the amount mentioned in the DD and exchange/commission computed correctly at the prescribe rate. On receipt of cash, a voucher is passed and scrolled by at least two officers. Then the DD is issued and recorded in the 'DD Issue Register' filling the appropriate columns. The DD application is treated as credit voucher of SBG A/C by showing credit entry against the paying branch. For any of DD issued, a relative DD Advice is sent to paying branch where the Advice is converted into Voucher. Gazipur Corporate Branch charges tk.1.50 for per tk.1000 as its commission for DD. The minimum commission is tk.15. The procedure of issuing a DD against cash could be shown by the flow chart in the following ways-



Flow Chart for DD issue against cash

Accounting entries will be-

Customers Account-----Dr  
SBG Account-----Cr  
Income Account (Commission) ---Cr

### 3.13.2 Procedure of Demand Draft Payment

After receiving the DD advices from different branches, the paying bank will verify the genuineness of the advices by verifying test numbers and signatures. Beside this, payment of drafts can be made without the advice of the issuing bank and at that time payment is called 'Acceptance Payment'.

Total amount of advice is debited to SBG A/C and credited to draft payable A/C. That is-

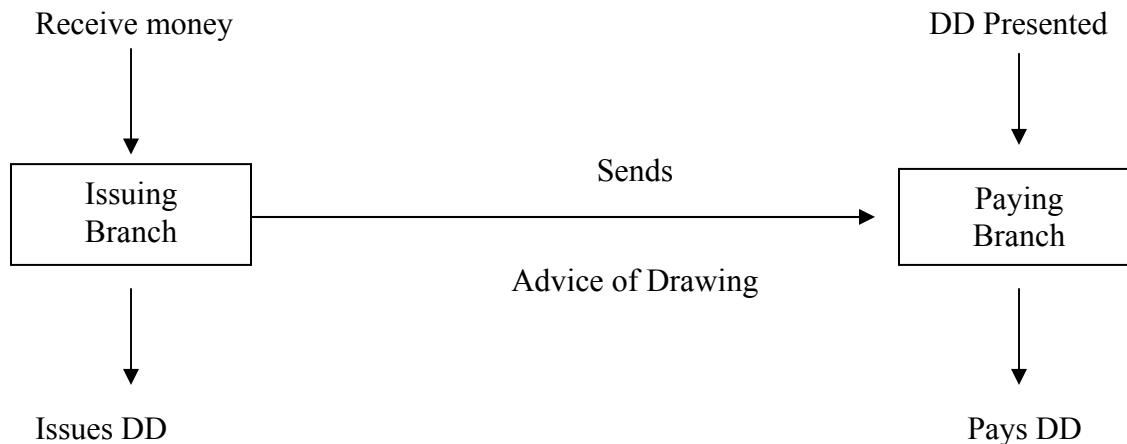
SBG A/C-----Dr  
Draft payable A/C -----Cr

On production of DD by the beneficiary, payment will be made by the following ways-

Draft payable A/C-----Dr  
SBG A/C-----Cr

If the payment is to be made before receiving of the DD advice, DD payment is recorded in the Ex-advice payment register by debiting the Draft Payable Ex-advice A/C (DD paid without advice). On receiving of the advice, it will be entered into the DD, MT Advice Receive Register and the amount will be credited to Draft Payable A/C. Before making payment of the DD, the paying branch will ascertain the genuineness of its issuance as well as genuineness of payee. The following flow chart depicts the payment procedures of DD-

**Flow Chart for DD Payment**



### **3.13.3 Cancellation of Demand Draft**

In some cases, the purchaser of the bank draft may ask the issuing branch to return the amount of DD stating its non-requirement. In these cases, the issuing branch will obtain a written application from the purchaser whose signature must be tallied with the signature obtained earlier. An amount of tk.25 be recovered from the purchaser as ‘Cancellation Charge’ and will be credited to the Commission A/C. The purchaser will acknowledge receipt of the proceeds writing the words ‘Received Payment by Cancellation’ and will sign on revenue stamp affixed on the draft. In this case, payment is made by debiting the SBG A/C and a relative cancellation advice is sent to the paying branch.

### **3.13.4 Issuing of Duplicate Demand Draft**

If DD is lost, the issuing branch may issue a duplicate DD. But before issuing a duplicate DD, the branch issued to observe the followings-

- Verify purchaser’s signature on the DD application slip
- Take indemnity bond from purchaser
- Clearance from paying branch whether the DD is already paid or not to be obtained
- DD cancellation advice to be sent to the paying branch
- Lastly the duplicate DD is issued and the word ‘DUPLICATE’ in red ink is stamped in the front side of the DD block.



### **3.14 Mail Transfer (MT)**

The facility of sending money by mail is available to customers who have accounts with the bank. The remitter deposits the amount that will be transferred from the remitting branch with small commission. An advice is issued by the branch to another branch for crediting the specified amount to the account of the payee maintained with the bank. It is a non-negotiable instrument and generally is not handed over to the customer rather sent through post office to the concerned branch. Remittance of money by Mail Transfer is relatively cheaper, quite safer and more convenient. Mail Transfer is effective not only within the country but also for international remittances. For local MT (say within the area of Dhaka) special 'MT Register Book' is maintained as in like DD. MT is normally issued from branch to branch of the same bank. Normally the mail charge is tk.15 for any amount. From tk.1 to tk.20000 commission is tk.20 and for above tk.1 added for every tk.1000.

The payment procedures for MT are as follows-

1. MT is received directly from the issuing branch by post and the payee does not present it for payment.
2. The paying branch checks the name and account number of the payee in MT to determine whether it agrees with the name and account number maintained in the paying branch.
3. The paying branch verifies the signatures of the authorized officials of the issuing branch.
4. MT is entered in the 'DD, MT, TT Payment Register'.
5. No commission is deducted.
6. If everything related to MT is correct then the passing officer will pass the MT by putting signature on it and the voucher is credited to the respective beneficiary's account.

### 3.15 Telegraphic Transfer (TT)

Telegraphic Transfer (TT) is another widely used mode for remittances of funds. TT is quicker than DD or MT. If an applicant wants to remit the amount urgently to the payee in another city or district he may request the issuing branch to send it by TT. For TT a branch sends a telegram instead of airmail. The branch usually recovers from the telegram charges in addition to the usual service charges. A TT could be express or ordinary and it is always sent in coded-form. Corporate branch follows the following procedures in case of TT issuing-

1. The customer deposits money in the branch.
2. The customer obtains a cash memo containing TT serial number.
3. TT serial number, notifying party name are mentioned in the telex message.
4. The telex department confirms transmission of the telex.

#### Accounting entries for TT

Cash/Client's account-----	Dr
SBG account-----	Cr
Income account (commission) -----	Cr

#### Procedures for the incoming TT

After receiving the telex, it is decoded at first. Then the TT serial number, test number are verified. A credit voucher in favor of the beneficiary's account is prepared and passed.

For TT telephone charge is tk.25 and tk.1-20000 commission is tk.20 and above it tk.1 added as commission for each tk.1000. 15% vat taken on commission.

### 3.16 Payment Order (PO)

Payment Order (PO) is an instrument that contains an order for payment to the payee only in the case of local payment whether on behalf of the bank or its constituents. In the beginning stage, PO was issued only to affect local payments of bank's own obligations but at present it is also issued to the customers. They purchase PO to deposit money. PO is in the form of receipt which is signed by the two officials. The money of PO is deposited to the bank's own account named 'Payment Order A/C'. Payment of this instrument is made from the issuing branch. PO is not transferable; therefore it can only be paid to-

- The payee on identification
- The payee's banker who could certify that amount and credit that amount to the payee's A/C
- A person holding the letter of authority from the payee whose signature must be authenticated by the payee.

For below tk.1000 the commission is tk.20 and for tk.1001 to tk.100,000 the commission charge is tk.30 and for above tk.100,001 it will be tk.50.

Remittance	Commission (tk)	VAT (tk)
DD	20 to 100	15%
MT	20 to 100	15%
TT	20 to 100	15%

Accounting entries: PO by cash

Cash A/C-----Dr  
Bill Payable-----Cr  
PO commission-----Cr

Accounting entries: PO by cheque

Cheque A/C-----Dr  
Bill Payable-----Cr  
PO Commission-----Cr

### 3.17 Operation of Cheque

A cheque, signed by the drawer is an unconditional order in writing and drawn on a specified bank. Bank will pay a certain sum of money to the cheque bearer. A cheque involves three parties-

1. The drawer
2. The drawee (the bank) and
3. The payee (to whom the cheque is to be paid)

The following procedures are usually done for passing a cheque-

- A clerk scrutinizes the cheque for the date, the amount and the signature and then he gives the drawer of the cheque a token number and he also writes that number at the back side of the cheque. He then passes the cheque to the ledger-keeper after giving a seal.
- The ledger-keeper again scrutinizes the cheque for his satisfaction. He then debits the amount in the ledger book and passes the cheque to the authorized officer. The authorized officer verifies the signature of the account holder very carefully to protect any kind of fraudulent activities and passes it to the cash officer for payment.
- The drawer of the cheque presents the token in the 'Cash Payment Counter' and the cashier makes payment after verifying the token. The cashier may want another signature to compare with the previous one.

### 3.18 Stopped Cheque

In case of stopped cheque the following formalities are done-

- The accountant keeps the 'Stopped Cheque Register' and reserves the pertinent documents.
- After receiving a letter or telegram for stopping the payment of cheque, the time of its receipt is noted down by the accountant.
- The ledger-keeper and the officials are also informed immediately.
- Lastly the cheque is stopped.

### 3.19 Collection of Cheque

In **Gazipur Corporate Branch** cheques of its customers are received for collection. In case of received cheque, the following points are followed carefully-

- The cheque should not carry a date older than the receiving date for more than six months. In that case the cheque will be a 'stale cheque' and it will not be allowed for collection. Again the date of cheque should not be more than one day forward than the receiving date.
- The amount in figures and words in both sides of the pay-in-slip should be same and they will also be same in the cheque.
- The name mentioned in cheque should be same in both sides of the pay-in-slip and in the cheque.
- The cheque must be crossed.

For the collection of cheques the branch can be divided in to three sections-

1. Short Credit (SC)
2. Local Short Credit (LSC)
3. Clearing.

#### 3.19.1 Clearing

Janata Bank Ltd is a schedule bank. According to the Article 37(2) of the Bangladesh Bank Order, 1972, the banks that are member of the Clearing House are called as 'Schedule Banks'. The schedule banks clear the cheques drawn upon one another through the clearing house. This is an arrangement by the central bank where the representatives of the banks gather to clear the cheques everyday. The place where the banks meet and settle their dues is called the clearing house. The clearing house sits for two times in a working day.

### **3.20 Clean Cash Book**

The clean cash book is the abstract of each day's transactions classified under the General Ledger heading. Clean Cash Book is written to-

- Test the arithmetical accuracy of one day's transaction.
- Consolidate one day's transaction.
- Help position in the General Ledger.
- Test the closing cash balance of the branch.

#### **The procedures for writing the clean cash book are as follows-**

1. At first the writer sees that the books are checked and authenticated by the authorized officials properly.
2. The clean cash book should be checked daily from the subsidiary register by an authorized supervising official.
3. Each morning the manager will scrutinize the whole of the previous day's vouchers.
4. All vouchers should be collected by the clean cash book writer and handed over to a supervising official.

### 3.21 The General Ledger

After successful completion of the entry in clean cash book, all the balances of the account heads are transferred to the General Ledger which is the final and the most crucial part of accounting system of the branch. The debit side of the clean cash book is transferred to the credit side in the general ledger book and the credit side of the clean cash book is transferred to the debit side in the general ledger. A weekly/monthly statement is prepared in F-12 form by the branch and is sent to the Head Office. The figures of F-12 form are collected from General Ledger. The accounts in the branch's General Ledger are as follows-

- Janata Bank Ltd General Account (SBG A/C)
- Fixed Deposit Account
- Short Term Deposit Account
- Saving Bank Account
- Call deposit Account
- Current Account
- Pay Order Account
- Drafts Payable Account
- Demand Loan Account
- Cash Credit Account
- Foreign Bill Purchase & Negotiable Account
- Bills for Collection Account
- Forced Loan Against Back to Back Loan Account
- Advance Against Merchandise Account
- Discount Account
- Interest Account
- Exchange Account
- Commission Account
- Charges Account
- Profit & Loss Account
- Stationary Account



## **CHAPTER - FOUR**

# **FINDINGS, RECOMMENDATIONS AND CONCLUSION**



## **4.1 Findings of the Study**

During my report preparation I have gone through several departments of General Banking and detected some problems from my own practical experience as follows:

1. The newly prescribed account opening form is very much informative. It takes about half an hour to properly fill in the form. When four or five people come at the same time to account opening purpose, it is very difficult for the relevant officer to provide satisfied service to the client.
2. According to some clients, introducer is one of the problems to open an account. If a person who is new in the city wants to open account, it is a problem for him/her to arrange an introducer of SB or CD account holder.
3. Lengthy process of issuing cheque book, Pay order, Bank draft cause. Job responsibilities are not specified to each and every employee of this division.
4. Insufficient modern sophisticated technology change such as use of new software there are few staff who are lacking in computer knowledge and are not efficient enough to finish every task immediately. So, before utilizing new technology proper training should be arranged.
5. Inadequate skilled manpower in Janata Bank Ltd, because there is lack of proper training arrangement of employees in the general banking section. For example, most of the new recruited employees learn their job tasks by observing their senior employee.

## **4.2 Recommendations**

**In the light of findings, the recommendations are as follows:**

1. The form should be precise with the quality information to the points of the client rather unnecessary or vague information. This can create the opportunity to serve more people in short time.
2. If the interested clients have proper documentation in favor of his/her identity then there should be probation for avoiding introducer.
3. Bank should formulate simple process for issuing cheque book, Pay order, Bank draft.
4. To hire and install sufficient modern sophisticated technology because of present market demand of the customer and the educated customers now want technology based banking but customs are confused about services.
5. To recruit sufficient skilled manpower because the bank employees should communicate properly with customers about their deposit and other schemes.

## **Conclusion**

As the largest nationalized commercial bank Janata Bank Ltd is operating every corner of the country providing the banking services to different classes of customers. The area where there is no branch of any bank of the modern competitive banking sector, there one can find a branch of Janata Bank.

Banks play an active role for the development of the country. Janata Bank Ltd has made commendable improvement over the past years. I am proud to get an opportunity to continue my internee and my career in my organization. I tried to gather experience in General Banking and summarize all the information within the report. It will also be helpful for the bank management if they carefully analyze the problem and consider recommendation in this paper and take necessary actions for corrective measures.

General Banking is one of the main departments of any bank. To take any banking services, one has to fulfill all the requirements of this department first. The nature of the relationship between a banker and a customer depends upon the service rendered by the personnel of general banking department. General Banking department usually give optimum services to their customers though they have some limitations. If the management of the bank can turn these limitations positively then they can attain the ultimate goal. I am certain that the experience that I get through my internship in Janata Bank will help me a lot in my future banking profession.

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