A Focus ON Money related Limit AMONG Beneficiaries OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

Ramesh Agarwal
Research Scholar, Department of Commerce, Delhi University

ABSTRACT
The various factors like individual components, social components and environmental components can influence the money related limit of an individual. Financial capacity of an individual is the mastery of having money related data, applying into even minded life, sorting out financial issues, boldness while making financial decision. The fundamental objective of the paper is to investigate the association between confidential components and individuals' financial limit of the beneficiaries of Pradhan Mantri Jan Dhan Yojana (PMJDY) of Assam Gramin Vikash Bank of Nalbari District of Assam. The possibility of the audit is illustrative and coherent and it relies upon both fundamental and discretionary data. The disclosures clearly reveal that there is basic association between (a) monetary establishment and individuals' financial limit and (b) individual factors and individuals' money related limit.

KEYWORDS: **Financial capability, financial knowledge, financial behavior.**

INTRODUCTION

Financial capability is the capacity to use financial services and manage financial products in the most effective way for a person's needs. Monetary capacity helps construct self-assurance level and propels to assemble monetary information and practice the mastered abilities in the most ideal manner for future security. Consequently monetary capacity of an individual is the ability of having monetary information, applying into functional life, grasping monetary issues, fearlessness while going with monetary choice. As per the World Bank, monetary ability is the ability to act in one's best monetary premium, given financial and natural circumstances (World Bank Gathering, 2007). Monetary capacity assists individuals with taking part in various monetary exercises which upgrade monetary information, capabilities, capacities and the chance to in like manner act. This can be considered as a system which includes connecting a person to formal monetary organizations. Accordingly monetary organizations need to zero in on improving the monetary capacity of the people by taking up fundamental drives.

FACTORS INFLUENCING INDIVIDUAL FINANCIAL CAPABILITY

There are a number of factors which can influence the individual’s financial capability. Some of them are (a) personal factors, (b) societal factors, (c) environmental factors, (d) political factors, etc. According to Yoong, J. et al. (2013), personal factors include elements such as knowledge, awareness, skills,etc; societal factors include social norms, social networks and family obligation etc. and environmental factors include barriers to access finance, the behaviour and attitude of financial institutions and consumers protection legislation etc. However, according to Victoria, et. al., (2014), the factors that promote financial capability includes : (a) Background factors, which include family upbringing and childhood experiences, location and relationships, lincome, gender, etc.,(b) Attitudes which include money management, money consciousness, spending,etc; (c) Normative influences which consists of influence of a partner, family and friends, mentor and social expectations; (d) Perceived behavioural control which includes self-confidence/esteem, belief - future change, belief - future prosperity; and (e) Skills and Knowledge which includes planning and goal setting, numeracy and research skills etc.,

DOMAINS OF FINANCIAL CAPABILITY

To measure the financial capability of an individual many domains need to be looked into, because, all the domains are conceptually different from each other. In this study, the following domains are used to measure the financial capability of an individual-

1. Managing money- it is one of the key aspects of financial management and it involves handling of day to day money, keeping expenditures within their limits without being indebted. In addition to this, financially capable person has the ability to sustain money for future use.
2. Keeping track- Another aspect is keeping track of their financial balance. Preparation of household budgets as well as personnel budget and regularity of checking their financial position are essential characters of financially capable person.
3. Planning ahead- The ability to plan ahead is another domain; it includes collecting information that relate to retirement planning, carrying out insurance, dealing with large unexpected expenditure.

4. Staying informed- It includes keeping updated with regular changes in the economy, keeping track of new financial products and changes to existing ones and knowing where to get help and advice.
5. Choosing product: The final domain of financial capability related selection of financial products provided by the financial institutions. It needs proper financial knowledge and skills along with advice and guidance to manage finances and plan for a financially stable future.

STATEMENT OF THE PROBLEM

The lack of financial capability is one of the major issues that many rural families in India have faced. However a huge quantities of monetary organizations are working in our nation and giving various types of monetary administrations to individuals of society, they are falling behind to have the option to make individuals monetarily competent and rich. So the need of great importance is to look at the variables answerable for these lacunae. In this manner the review is intended to research the relationship of individual variables of monetary ability and people's monetary capacity of recipients of Pradhan Mantri Jan Dhan Yojana (PMJDY) of Assam Gramin Vikash Bank of Nalbari Region of Assam.

REVIEW OF LITERATURE

There are studies like, Leskinen & Raijas (2006), Atkinson et al. (2007), McCormick (2009), etc., that attempts to define the term financial capability. Danes, S.M. & Haberman, H.R. (2007), Meza, D., Irlenbusch, B. & Reyniers, D. (2008), Orton, L. (2007), McCormick, M. H. (2009) and The Financial Markets Authority (FMA) (2016) studied financial behavior financial education and financial knowledge in their various research works. Grosser, K. & Van Der Gaag, N. (2013), Lusardi, A. (2017), Nussbaum, M. C. (2000) and Ward, R. E. (2017) conducted various on women’s financial capability. Furthermore, Dasgupta and Anklesaria (2015), Patnaik, B., Satpathy, I. & Supkar, A. C. (2015) and Gupta, S. K. (2015) conducted research studies on various aspects of Pradhan Mantri Jan Dhan Yojana (PMJDY).

OBJECTIVE OF THE STUDY

1. To examine the relationship between socio-economic background and individual’s financial capability of beneficiaries of Pradhan Mantri Jan Dhan Yojana (PMJDY)
2. To examine the relationship between personal factor of financial capability and individual’s financial capability of beneficiaries of Pradhan Mantri Jan Dhan Yojana (PMJDY)

HYPOTHESIS

Ho1: There exists significant relationship between socio-economic background and individual’s financial capability of beneficiaries of Pradhan Mantri Jan Dhan Yojana (PMJDY).
Ho2: There exists significant relationship between personal factor of financial capability and individual’s financial capability of beneficiaries of Pradhan Mantri Jan Dhan Yojana (PMJDY).

RESEARCH METHODOLOGY

The current review is logical and engaging in nature. The study uses convenient sampling to collect 100 samples from two development blocks in the Nalbari district of Assam, the Pub Nalbari Block and the Paschim Nalbari Block (50 from each block). The review depends on both essential and auxiliary information. With the end goal of the review, essential information were gathered through an organized timetable from various PMJDY recipients of Assam Gramin Vikash Bank of Nalbari region of Assam. The significant optional information were gathered from different exploration reports, articles, diaries and papers and so on. Gathered information are broke down by utilizing illustrative measurements like organization, basic rate and Pearson's chi square test. The data that was collected are analyzed using the SPSS 16 software. Important socio-economic variables include respondents' location of residence, age, marital status, educational qualifications, and income (Chanu, 2019). These factors are additionally viewed as in the current review to find out the financial foundation of the respondents.

PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

The PMJDY which was introduced in 2014 by the government of India is one of the revolutionary steps of the NDA government to streamline unorganised financial system in the country. Though specialised and rural based banking institutions like Regional Rural Banks (RRBs) have been established to provide banking services in rural areas as well as there are evidences of significant expansion banking services in rural areas, a large numbers of households of the country are financially excluded. As per census 2011, 41.30 percent of total households of the country are not availing banking services. The reasons of not availing banking services may vary from one area to another; however, the two common reasons are (a) existence of deep-rooted unorganised financial market and (b) lack of friendly banking ecosystem in rural areas. Apart from this, depositing of collateral in opening bank accounts also discourages to open accounts with the bank. The PMJDY has been introduced as a national mission for financial inclusion by targeting the unbanked person of the country. The mission ensures access to wide range of financial services including basic savings & deposits accounts, credit, insurance, pension etc. in an affordable manner. Sharma (2016) argues that in the medium term, this scheme will bring about a paradigm shift demand and supply pattern of development and welfare programmes and in the long run, the traditional self-reliance of Indian people will be strengthen. It is worthy to mention that out of the 40.30 crore accounts opened under PMJDY till 9th Sept 2020, more than a half of the total accounts are held by women. The matter which needs to be investigated here is the financial capability of those who are the beneficiaries of PMJDY scheme.

FINDINGS

A. Demographic profile of respondents

The demographic characteristics of the respondents reveal that majority of the respondent area i.e. 62% of the respondents belong to rural area and 38% belong to semi rural area. The gender-wise distribution shows that majority of the respondents (54%) are found to be female; the age-wise distribution of respondents reveals that 18% belong to the age category of 20-30 years, 38% belong to the age category of 30-40 years, 35% belong to the category of 40-50 years and 9% belongs to the category of above 50 years. It is also observed that majority of the respondents (64%) are found to be married. Regarding the educational background of the respondents, 40% have completed their High School Leaving exam, 22% have completed Higher Secondary Level exam, 12% have completed Graduation and 26% responded that they have left their studies in their early age. It has been found that 28% of the respondents are daily wage earner, 32% are marginal farmers and 24% are engaged in some business. It has been also identified that annual income of 16% respondents is below Rs. 10,000, 56% of the respondents' yearly earning ranges between Rs. 10,000-20,000, 28% of the respondents' yearly earning ranges between Rs. 20,000-27,000.

B. Financial Capability of Respondents

To know the financial capability of the sample PMJDY beneficiaries of Assam Gramin Vikash Bank of Nalbari, Assam, the information related to following factors have been collected and the findings are mentioned below.

(a) Knowledge of opening PMJDY Bank Account: The findings reveal that while 22% have the knowledge of opening bank account by own self, 25% come to know through Customer Service Point (CSP), 39% through Bank Mitras, 12% through friends & relatives and 2% through financial advisor. Therefore, it is clearly revealed that majority of the respondents do not know the procedure of opening a PMJDY account.

(b) Awareness about Financial products/services: The findings reveal that while 35% of the respondents are aware about the various financial products/services provided by the various financial institutions like different types of bank accounts, loans, bank interests, insurance etc, 27% are found to be unaware about the various financial products/service. Remaining, 38% have responded that they are partially aware about the various financial products/services.

(c) Bank Balance Enquiry: It is found that majority (58%) of the respondents know accurately the bank balance in their account and they frequently check their accounts. However, 34% have rough idea regarding balance in their account and 8% have no idea about their bank balances as they do not check their bank balances. It indicates that though there are few who do not develop the habit of update information of their bank balance, majority have the habit of it.

(d) Ability to save money for future use/ difficult days : It is found that majority (65%) of the respondents always make sure that they save money for future use/ difficult days and they are able to save money after opening bank A/c.

(e) Preparation of family/ household Budget: 21 % of the respondents have responded that they prepare household budget and know how the income will be used in the different heads. It clearly suggests that majority of the respondents do not prepare a monthly household budget of expenditure.

(f) Ability to manage day to day money: It is found that majority (59%) have the ability when it comes to managing money day to day and the rest do not have.

(g) Mechanism to meet unexpected expenses: The findings reveal that 34% respondents draw money from saving account to meet an unexpected major expense, 28% borrows money from bank, 22% take help from family/friends and 16% use some other way like, sell something, earn extra money, cut spending etc.

(h) Seeking financial advices in selecting financial products: It is found that majority of the respondents i.e.; 72% seek advices from others while selecting financial product/service offered by the financial institutions and the remaining 28% don't seek advice from others, instead they take their own decision.

HYPOTHESES TESTING RESULT

In order to see whether there is significant relationship between (a) the socio-economic background and financial capability of respondents, and (b) personal factors and financial capability, Pearson chi- square test is calculated and the results are shown in table 1 and 2. The decision of acceptance and rejection of hypotheses are made considering the 5 % level of significant. The computed p values of all the variables are found to be above 0.05; it confirms the existence of significant relationship between socio-economic background of respondents and their financial capability as well as the personal factors and individual financial capability. Hence, both the hypotheses are accepted.

Table: 1. Ho1 testing result: Relationship between Socio-economic background of respondents and Financial Capability

Relationship between	Pearson Chi-square Value	df	Asymp. Sig. (2-sided)		Remarks
Area of Residence & Ability to save money for difficult days	2.032[a]	1	.154	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 13.30.	Hypothesis accepted
Area of Residence & Preparation of budget	1.880[a]	1	.170	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.02.	Hypothesis accepted
Area of Residence & Manage in managing day to day money	1.028[a]	1	.311	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.58.	Hypothesis accepted
Gender & Ability to save money for difficult days	.639[a]	1	.424	0 cells (.0%) have expected count less than 5. The minimum expected count is 16.10.	Hypothesis accepted
Gender & Preparation of budget	.351[a]	1	.554	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 13.34.	Hypothesis accepted
Gender & Manage in managing day to day money	1.361[a]	1	.243	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.86.	Hypothesis accepted
Age(Years) & Ability to save money for difficult days	4.294[a]	3	.231	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 3.15.	Hypothesis accepted
Age(Years) & Preparation of budget	1.507[a]	3	.681	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 2.61.	Hypothesis accepted
Age(Years) & Manage in managing day to day money	1.308[a]	3	.727	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 3.69.	Hypothesis accepted
Marital Status & Ability to save money for difficult days	.592[a]	1	.442	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.25.	Hypothesis accepted
Marital Status & Preparation of budget	.987[a]	1	.321	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.15.	Hypothesis accepted
Marital Status & Manage in managing day to day money	2.421[a]	1	.120	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.35.	Hypothesis accepted
Qualification & Ability to save money for difficult days	2.407[a]	3	.492	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 4.20	Hypothesis accepted
Qualification & Preparation of budget	2.469[a]	3	.481	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 3.48	Hypothesis accepted
Qualification & Manage in managing day to day money	11.766[a]	3	.008	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 4.92.	Hypothesis accepted
Occupation & Ability to save money for	1.459[a]	3	.692	a. 0 cell (.0%) have expected count less than 5. The minimum expected count is 5.60	Hypothesis accepted

difficult days					
Occupation & Preparation of budget	2.432[a]	3	.488	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 4.64.	Hypothesis accepted
Occupation & Manage in managing day to day money	2.194[a]	3	.533	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.56	Hypothesis accepted
Income per annum & Ability to save money for difficult days	.118[a]	2	.943	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.60	Hypothesis accepted
Income per annum & Preparation of budget	1.131[a]	2	.568	a. 1 cell (16.7%) have expected count less than 5. The minimum expected count is 4.64	Hypothesis accepted
Income per annum & Manage in managing day to day money	1.265[a]	2	.531	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 13.30	Hypothesis accepted

Source: computed based on the field survey data

Table: 2. Ho2 testing result: relationship between personal factor of financial capability and individual's financial capability

Relationship between	Pearson Chi-square Value	df	Asymp. Sig. (2-sided)		Remarks
Knowledge of opening bank A/C & Ability to save money for difficult days	3.829[a]	3	.281	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.74.	Hypothesis accepted
Knowledge of opening bank A/C & Preparation of budget	.423[a]	3	.935	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 4.90.	Hypothesis accepted
Knowledge of opening bank A/C & ability in managing day to day money	4.756[a]	3	.191	a. 1 cell (12.5%) have expected count less than 5. The minimum expected count is 4.06.	Hypothesis accepted
Awareness about financial products & Ability to save money for difficult days	.087[a]	2	.957	a. a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.07.	Hypothesis accepted
Awareness about financial products & Preparation of budget	.737[a]	2	.692	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.45.	Hypothesis accepted
Awareness about financial products & ability in managing day to day money	1.148[a]	2	.563	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.83.	Hypothesis accepted
Bank balance enquiry & Ability to save money for difficult days	1.760[a]	1	.185	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 17.22	Hypothesis accepted
Bank balance enquiry & Preparation of budget	.521[a]	1	.470	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.70.	Hypothesis accepted
Bank balance enquiry & Manage in managing day to day money	.278[a]	1	.598	a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.18.	Hypothesis accepted

Source: computed based on the field survey data

CONCLUSION

Financial capability of an individual is influenced by different factors. However, to some extent, it can also be developed through financial experience of an individual. While discussing the financial capability, one has to look into two main issues simultaneously. They are (a) the level of financial knowledge and skills of individuals and (b) access to financial products and services, including access to opportunities for building savings and other assets. Higher the educational qualification, inhabitants in urban areas, higher the income level of an individual has possibility of having higher level of financial capability. The level of financial knowledge, skills access to financial products is mainly found among those who are in urban areas as compared to rural areas. In the studies like Lusardi & Mitchell (2009), Klapper & Panos (2011), etc., it is revealed similar findings in this regard. The findings of the present study also clearly reveal that socio-economic background is also one of the influencing factors of financial capability. Hence, based on the findings of the present study, it can be concluded that background and personnel factors have an impact on individual's financial capability. Therefore it is suggested that to develop financial capability, state has to formulate and implement more social welfare programmes and financial institutions have to accelerate financial literacy programmes in collaboration with educational institutions and social organisations in each and every part of the country.

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