

Account Holder's Satisfaction towards Post Office Savings Account (with special reference to Madukkarai Block Coimbatore District)

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ABSTRACT

This study is based upon small savings scheme in Post office. The small savings schemes are provide safe and attractive investment options to the public and mobilize resources for development. They need small savings habits in their life. Post office savings account is meant to promote the habit of saving among the people. It also facilitates safe keeping of money. In this scheme, fund is allowed to be withdrawn whenever required without any condition. Hence, savings account is a safe, convenient and affordable way to save money.

1. Introduction

It is one of the largest and oldest service institutions in the country. The Department of Posts operates the Post Office Savings Scheme function on behalf of the Ministry of Finance and under this scheme, more than 20.5 crore savings account are serviced. Post office savings accounts are especially suited for those living in rural and semi-rural areas where the reach of banks is limited. Post office saving account is similar to a savings account in a post office. It is a safe instrument to invest our money, which we may need to liquidate fully or partially at very short notice.

Post office savings accounts are especially suited for those living in rural and semi-rural regions where the number of bank branches is limited. Post offices have the largest service network and a strong rural penetration. If a person is living in a remote region, then he has an option to open a post office savings account because the post office and postman is closer to him.

THE POST OFFICE SAVINGS ACCOUNTS RULES, 1981 : The powers conferred by section 15 of the Government Savings Bank Act, 1873 (5 of 1875), the Central Government hereby makes the following rules, namely:-

Short title and commencement:-

(1) These rules may be called the Post Office Savings Account Rules, 1981.

(2) **Definitions:-** In these rules, unless the context otherwise requires:-

- (a) 'Account' means a savings account;
- (b) 'Deposit' means the money deposited by the depositor in an account under the rules.
- (c) 'Depositor' means an individual who-
 - (i) on his own behalf, or

(ii) on behalf of a minor or a person of unsound mind of whom he is the guardian deposits money in an account under the rules.

(d) 'Year' means a year commencing on the 1st day of April.

(e) Words and expression used herein and not defined but defined in the Post Office Savings Bank.

How to Open Account: The account can be opened at any post office with a minimum balance of Rs. 20. Maximum of Rs. one lakh for single account holder and Rs. two lakhs for joint account holders can be deposited. There is no lock-in or maturity period. One can just walk into a post office, meet the clerk, complete the formalities and the account would be opened.

Who can Open Account: Single account can be opened by an adult, a minor with minimum age of ten years, or a guardian on behalf of a minor or a person of unsound mind. Joint account can be opened by two or three adults.

Withdrawal of Money: The amount can be withdrawn anytime subject to keeping a minimum balance of Rs. 50 in simple account and Rs. 500 for cheque facility accounts.

Interest Paid: Rate of interest is decided by the Central Government from time to time. Interest is calculated on monthly balances and credited annually. Usually it is between 3 to 4 %

Salient Features

- One could decide to close the account anytime.
- Nomination facility is available.

Income Tax Benefit: Income tax relief is available on the amount of interest under the provisions of section 80L of Income Tax Act.

Cheque book: Cheque books are issued in respect of cheque accounts. In a cheque account, minimum balance should be Rs. 500. The service charges for outstations cheque are Rs. 30 for first thousand or part and Rs. 31 for each additional thousand or part. In case of bouncing of cheque Rs. 50 is charged as service charge.

Transfer accounts: To transfer account—a depositor should apply in the form or submit a manual application. The application can be given either in transferring office or transferee office.

Duplicate passbook: Application in the prescribed form or manual application may be given by affixing prescribed fee in the form of postage stamp. New duplicated passbook will be issued by sub post offices only

Benefit of Large Network: Post offices have the largest service network in India. Post men do their job even in remote regions of the country. There are places where you could see old post men riding on bicycles and distributing letters, being awaited so eagerly by the kith and kin of the people who are far from their families and friends. Reach of post offices is of course greater than banks and this is the reason behind the government introducing something like saving accounts through post offices. They can take the benefit of having saving accounts right to the people who need them the most. If one is living in a remote corner, sometimes it is better to have a savings account in a post office rather than a bank

Salient Features:

- Rate of interest 4.0% per annum
- These accounts are operated and managed through the network of post offices across the country.
- Minimum amount Rs 50/- in case of non-cheque account, Rs.500/- in case of cheque account.
- Maximum balance permissible is Rs 1,00,000/- in a single account and Rs 2,00,000/- in a joint account.
- Interest Tax Free.
- Any individual can open an account.
- Cheque facility available.
- Group Account, Institutional Account, other Accounts like Security Deposit account & Official Capacity account are not permissible.
- All such accounts will be opened after proper introduction of the depositor through an introducer known to the Post Office who has an account (with cheque facility) in the same post office.
- Accounts can be opened by an individual, or jointly by 2 or 3 adults.
- Cheque Book facility is available at all the Post Offices subject to a minimum balance of Rs.250/- in the concerned account.
- No commission is charged for realization of cheque anywhere in India if the cheque is presented for deposit at any post office.

- The instruments are transferable to any post office in India.
- ATM/Debit Cards can be issued to Savings Account holders having prescribed minimum balance on the day of issue of card) of CBS Post offices.

Interest payable, Rates, Periodicity etc.	Minimum Amount for opening of account and maximum balance that can be retained
4.0% per annum on individual / joint accounts	Minimum INR 20/- for opening

2. Problems of saving in India

These are the problems encountered by the Accountholders in India.

1. Low per capita income
2. Demonstration effect in urban India (mainly in cities)
3. Exemption of agriculture income from income tax.
4. Failure of public sector undertaking.

3. Objectives of the study

1. To study the awareness among accountholder about post office savings account.
2. To analysis the accountholders attitude and satisfaction towards post office savings account.

4. Review of Literature

Nandal.D.S (1992) has examined that “Pattern of Income, Investment, Expenditure and savings of Selected Demonstration Farms in Haryana” the pattern of income, expenditure and savings of selected demonstration farms in Haryana has found that the negative savings, income ratio was due to low income and high consumption expenditure.

Rathnavel (1992) in his Research Study “Evaluation of Tax Saving Investment Schemes” listed the various tax reducing investment schemes in which he found that provident fund and mutual fund investments stood in the first two places.

Shetty.S.L (1997) in his article “Inadequacy of Domestic Savings and other Macro-Economic Issues” identified the two fundamental limitations of inadequacy of domestic savings which are the narrowness of the domestic market, gradual reduction in the Government’s development expenditure.

Uma Datta Roy Choudhury (1997) in her article entitled “Savings and Its Measure in the Unorganized Sector” explained that the household sector savings in the financial assets are estimated instruments-wise namely currency, deposits, investments in shares, debentures issued by the corporate sector and Central and State Government securities. The savings in physical assets are exclusive in nature namely household residential constructions, fixed assets formation and equipments in Industry.

K.Kanagasabapathy (2001) in his article titled “A Technical Note on Savings and Savers as Stakeholders” puts across the concept that in the economic sense, the savings

behaviour influence a nation's consumption behaviour. Savings may be influenced by the investment opportunities or investment demands, which in turn depends upon the growth prospects and the potential returns available. The level of savings will also depend upon the avenues available in the economy for mobilising such savings particularly from the household sector in the form of well developed financial system with a variety of institutions and markets for different instruments. The study also concluded that nation's economic policy also influences the savings behaviour of its citizens.

Prasada Rao (2002) in his article titled "A Study of Income-Savings among Cultivators in Sagar District of Madhya Pradesh" concluded that the cultivators are very much interested in purchasing durable assets with their savings and they would like to spend more on children's education. The cultivators would like to invest on farms to develop their Agri-business. The managerial propensity to save among big farmers is greater than among the small and medium farmers.

Stout (2002) in his study entitled "The Investor Game" has indicated that investors have adaptive and not rational expectations. Thus, adaptive expectations results in both trust and mistrust in securities based on past actions

C.KrishnaMoorthy (2007) in his article titled "A Study on Investment Pattern and Awareness of the Salaried Class Accountholders in Nilgiris District" an attempt has been made by the researcher to study the profile and awareness of salaried class accountholders. Among the identified 13 investment avenues, all the accountholders recognized bank deposits followed by insurance products which were known to 81 per cent of the sample accountholders. Almost, equal number of sample accountholders recognized Provident Fund and PPF investments, 63 per cent of the accountholders were familiar with postal savings and deposits. 42 per cent of accountholders were aware of Gold and Jewellery investment and 38.2 per cent of the sample accountholders had knowledge about investment in chit fund.

S.Kalavathy (2009) in her work titled "A Study on the Savings and Investment Behaviour of Salaried Persons" stated that the current study is divided into two sections. The first section elucidates the awareness of savings and Investment modes and factors influencing the savings and investments, the second section discusses on their preferences, perceptions and satisfaction towards the savings and investment avenues. It has been found that with the proportion of population, the working age group of 15-64 years is also going to increase in future; the demographic extra savings are also likely to increase. The study shows growth in real interest rate, growth in per capita income, spread of banking facilities and the rate of inflation as statistically significant positive influence on domestic savings.

Dr. Dhiraj Jain and Ms. Ruhika Kothari (2010) in their article "Accountholder's attitude towards Post Office Deposits Schemes" the study attempt to identify the awareness, preference, problems and attitudes of accountholders' towards various deposit schemes offered by post office among 100 accountholders of Udaipur district. The primary data is

collected through structured questionnaire and convenience sampling is used. Statistical tools like simple percentage, chi – square analysis, standard deviation and mean were taken to find out the significance level. Thus from the study it is found that majority of the accountholders invest in post office deposits schemes for the purpose of safety and security.

5. Research Methodology

This study is based on the Primary and secondary data which were collected from Coimbatore district. The data collected from the survey constitute primary and the information gathered from books, journals, magazines, reports, dailies were secondary data.

Area of study research methodology: This study is based on the Primary and secondary data which were collected from Coimbatore district. The data collected from the survey constitute primary and the information gathered from books, journals, magazines, reports, dailies were secondary data.

Area of study: The present study is confined to account holder of Post office savings accounts in Madukkarai Block, Coimbatore district

Sample size: A sample size consists of 100 Post office savings accounts in account holders are selected. The sample size is selected by adapting convenient sampling techniques.

Statistical tools used for the study

1. Percentage Analysis
2. Chi –square Test
3. T-Test
4. ANOVA

6. Limitations of the study

1. Due to paucity of time and fund, the size of the sample is restricted to 100.
2. This study is confined to a particular selected block, that is, Madukkarai Coimbatore District and hence conclusion are drawn with due care when an attempt is made to generalize the results.

7. Analysis and Interpretation

Demographic profile of the account holders are presented in table 1, makes us to understand that the sample account holders. It reveals that majority of account holders are female. Most of account holders are known between age limit of below 15-30 years. Monthly incomes of the account holder are used in below Rs.10,000. Most of the sample account holders married. The residence status of accountholder is mostly used in rural area peoples. Majority of accountholder is other like school student, house wife etc and 94% of respondent are know the saving account and majority of account holder are open this account educational purposes. The result proves to sources to know the friends and relatives the majority of accountholder are 3-5 years of using the savings account and also the account holder preferred monthly payment. It majority of insisted by services offered by saving accounts in post office

is near to home. The most of them satisfied of maintain this account in post office savings account.

Table 1 : Percentage Analysis

Variables	Particulars	Freq.	%	Variables	Particulars	Freq.	%
Gender	Male	39	39	Having a Post Office Saving Account	Yes	94	94
	Female	61	61		No	6	6
Age	15-30	58	58	Sources of Know the Saving Account	Friends & Relatives	52	52
	31-45	33	33		Colleguous	12	12
	45-60	9	9		Marketing Executives	9	9
	Above 60	0	0		Other Sources	21	21
Marital Status	Married	67	67	Using of the Years	Below 2 Years	15	15
	Unmarried	33	33		3-4 Years	39	39
Nature of Residence	Rural	64	64		5-4 Years	36	36
	Urban	36	36		Above 6 Years	3	3
Occupation	Agriculture	12	12	Frequently Access the A/c	Daily	9	9
	Business	15	15		Weekly	15	15
	Govt. Employee	0	0		Monthly	63	63
	Private Employee	12	12		Yearly	6	6
	Pensioner	12	12	Satisfaction of Policy	Highly Satisfied	24	24
	Others	49	49		Satisfied	64	64
Monthly Income	Below 10,000	30	30		Average	9	9
	10,000-20,000	27	27		Dissatisfied	0	0
	20,000-30,000	18	18	Highly Dissatisfied	0	0	
	Above 30,000	5	5	Near To Home	48	48	
Purpose of Open Account	Education	49	49	Services Offered by Post Office Savings A/c	Convenient To Do Transaction	21	21
	Health Care	24	24		Interest Rates	12	12
	Marriage	3	3		Tax Benefits	9	9
	Safety	18	18		Others	3	3
	Other	6	6		<i>Source : Primary Data Collected Through Questionnaire</i>		

CHI-SQUARE TEST

GENDER OF THE ACCOUNT HOLDERS – PURPOSE OF OPEN ACCOUNT IN POSTOFFICE SAVING ACCOUNT

Gender / Purpose Of Open Account	Education	Health Care	Marriage	Safety	Others	Total
Male	12	15	0	9	3	39
Female	36	9	3	9	3	61
Total	48	24	3	18	6	100

HYPOTHESIS: NULL HYPOTHESIS (Ho): There is no significant relationship between Gender of the account holders and purpose of open account in POSA

Chi-Square	Calculate Value	DF	Table value
	86.08	4	9.49

Result: The above table states that the calculated value is less than the table value so the null hypothesis is accepted. Hence we can conclude there is a significant relationship

between gender of the account holders and purpose of open account in POSA

AGE GROUP OF THE ACCOUNTHOLDERS – SATIFICATION LEVEL OF THE POST OFFICE SAVING ACCOUNTS

Age Group/ Satisfaction Level	Highly Satisfied	Satisfied	Not Bad	Dissatisfied	Highly Dis Satisfied	Total
15-30	12	30	9	0	6	58
30-45	6	27	0	0	0	33
45-60	3	6	0	0	0	9
Above 60	0	0	0	0	0	0
Total	21	63	9	0	6	100

HYPOTHESIS: NULL HYPOTHESIS (Ho): There is no significant relationship between age group of the account holders and satisfactions level of the accountholders in POSA

T- test showing the mean score between occupation and purpose of open account

	Calculate Value	DF	Table value
Chi-Square	69.18	12	21.0

	$\sum x^2$	Mean	Std. Deviation
OCCUPATION	746	4.36	117
PURPOSE OF OPEN ACCOUNT	185	2.030	48.96

Source: Calculated through data collected in Questionnaire

Result: The above table states that the calculated value is more than the table value. The null hypothesis is rejected. Hence there is a significant relationship between age group of the account holders and satisfactions level of the accountholders in POSA

T- TEST TABLE

T	Df	Sig. (2-tailed)
+5.14	32	0.0001

INTERPRETATION: The P value is less than 0.05. So there is no significant difference in the mean score of the accountholders, between the occupation and purpose of open the account in the accountholders

T- TEST

T- test table showing the mean score between the age and satisfaction level of accountholders

	$\sum x^2$	Mean	Std. Deviation
Age	90	1.515	14.24
Satisfaction level	126	1.87	9.5

Source: Calculated through data collected in Questionnaire

T- TEST TABLE

T	Df	Sig. (2-tailed)
-2.42	64	0.01837

Result: The P value is less than 0.05. So there is no significant difference in the mean score of the Accountholders based on equal variance.

ANOVA

Anova table showing the mean score between the year of using the savings accountholders

DIVISION OF ACTIVITIES	N	Mean	Std. Deviation
Below 2 years	15	0.9286	0.482
3-4 years	39	1	0
5-4 years	36	0.5	0.707
Above 6 years	3	0	0
TOTAL	100	0.91	0.2879

Source: calculated through data collected in Questionnaire

ANOVA

Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.4734	3	0.1578	2.09288	0.12218
Within Groups	2.2619	30	0.0754		
Total	2.73	33			

INTERPRETATION: The f-ratio value is 2.09288. The p-value is 0.12218. The result is not significant at $P < .05$. The

P value is greater than 0.05. So there is no significant difference in the mean score of the Account holders.

ANOVA table showing the mean score between satisfaction level for accountholders

Division of activities	N	Mean	Std. Deviation
Highly Satisfied	24	0.83	0.408
Satisfied	64	0.92	0.267
Average	9	0.1	0.70
Dissatisfied	3	0.5	0
Total	100	0.91	0.28

Source: calculated through data collected in Questionnaire

ANOVA

Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.4267	4	0.1067	F = 1.02693	0.409
Within Groups	3.1162	30	0.1039		
Total	3.5	35			

INTERPRETATION: The f-ratio value is 1.02693. The P-value is 0.409442. The result is not significant at $P < .05$. The P value is greater than 0.05. So there is no significant difference in the mean score of the accountholders.

Correlation

Age group of the accountholder – awareness of post office saving account (POSA)

DIMENSION	Age in Years	Awareness – POSA
Age in Years	1	0.007
Awareness – POSA	0.007	1

* Correlation is significant at the 0.05 level (2-tailed).

Result: The r value of correlation is 0.007. It shows that there is an insignificant level (very low) positive correlation between the age group of the accountholders and awareness on post office saving account (POSA).

Gender group of the accountholder – sources of know the post office saving account (POSA)

DIMENSION	Gender	sources of know (POSA)
Gender	1	0.2924
Source of know the (POSA)	0.2924	1

* Correlation is significant at the 0.05 level (2-tailed).

Result: The r value of correlation is 0.2924. It shows that there is an insignificant level (very low) positive correlation between the age group of the accountholders and awareness on post office saving account (POSA).

8. Finding of the study

Findings of the percentage analysis:

- It majority of It reveals that majority of account holders are female.
- Most of account holders are known between age limit of below 15-30 years.
- Monthly incomes of the account holder are used in below Rs.10,000.
- Most of the sample account holders married.
- The residence status of accountholder is mostly used in rural area peoples.
- Majority of accountholder is other like school student , house wife etc to know the saving account
- It majority of account holder are open this account educational purposes.

- The result proves to sources to know the friends and relatives
- The majority of accountholder are 3-5 years of using the savings account
- the account holder preferred monthly payment

Findings from chi-square test:

- There is no significant relationship between Gender of the account holders and purpose of open account in POSA
- There is no significant relationship between age group of the account holders and satisfactions level of the accountholders in POSA

Findings from T- test:

1. The P value is less than 0.05. So there is no significant difference in the mean score of the Accountholders based on equal variance.
2. The P value is less than 0.05. So there is no significant difference in the mean score of the accountholders, between the occupation and purpose of open the account in the accountholder

Findings from Correlation Test:

- The r value of correlation is 0.007. It shows that there is an insignificant level (very low) positive correlation between the age group of the accountholders and awareness on post office saving account (POSA).
- The r value of correlation is 0.2924. It shows that there is an insignificant level (very low) positive correlation between the age group of the accountholders and awareness on post office saving account (POSA).

Findings from ANOVA:

- There is no significant difference in the mean score of the accountholders.
- The P value is greater than 0.05. So there is no significant difference in the mean score of the accountholders.

The studies revealed that majority of the accountholders in Coimbatore district are aware of all the post office saving accounts (POSA). They are highly aware of post office monthly income scheme post office saving account. Only a very few accountholders are quite unaware of POSA. The post office saving account dominates all other post office saving schemes.

9. Suggestion

Post office savings account schemes, (POSA) a traditional favorites with Indians, are likely to retain their popularity, despite the various schemes by banks and the

government, Moreover, the new schemes introduced by the government are being extended to post office savings account holders. Post offices saving Account holders will be prove the ATM cards, besides availing money-transfer facility and anywhere anytime banking facilities. POSA is improving the rural area side. POSA lot benefiteres are in our district. So POSA much more develops in the society.

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10. Conclusion

The strength of the postal savings account schemes viz., belief, trust and wide net work has to be expanded in the coming years to match the unveiling competition which is existing The satisfaction level of the accountholders on postal savings deposits is improving the upcoming years.