



A Study on Students Satisfaction Regarding Educational Loan with Special Reference to Nationalized Bank in Coimbatore City

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ABSTRACT

Education has a significant role in the Indian Economy. Higher education involves creation of intellects of world standards and training of skilled human power at mass level without compromising on quality. Education has become a costly affair recently. There are different fee structures, followed by different institutions. Most of the students find it difficult to enter in to the field of education. The problem of finance for education has been prevailing now. It is met by the nationalized and private banks through educational system. The study has been approached from the point of view students in Coimbatore, who intended to avail the education loan offered by the Nationalized Bank. The study discusses on detail about the factors motivating the students to borrow their money from Nationalized Bank.

KEYWORDS : Educational Loan, Nationalized Bank, Educational System.

INTRODUCTION AND DESING OF THE STUDY

Banking means transacting business with a bank depositing or withdrawing funds or requesting a loan or engaging in the business maintaining savings and checking accounts and issuing loans and credit.

Central Government facilitates educational loan through 27 nationalized banks to help students for their education. India's National asset is the student and their brain power. The student loans are offered by financial institutions based on the guidance issued by Government. Each bank has its own eligibility criteria, interest rates and repayment options.

The education loan can be used for any level of education including school, graduation, post-graduation and doctorate. Loans are given for study in India as well as in foreign universities. The students who have good academic record but don't have any option to study further due to the financial condition go for loan option.

Once the loan is approved, the financial institution will guarantee the students education but student should be ready to study and work hard to repay the loan.

STATEMENT OF THE PROBLEM

Education has become very expensive proposition now a day. There are different fees structures are followed by the different institutions. The government fixes fees structures for the unaided self-finance engineering colleges, aided colleges and government colleges are different. So, more students discontinue their education due to lack of finance to meet the cost of education.

The problem of the finance, which prevails among the students, is solved to the nationalized and private sector banks come forward to grant the education loan to the need subject to some condition. Educational loans are offered by 4000 branch of the bank, spread across the country including the personal banking branches. Anyone can take a loan for pursuing studies in recognized schools or colleges or institutions etc. though banks are ready to grant loan to a maximum extent.

SCOPE OF THE STUDY

The study discusses on detail about the factors motivating the students to borrow their money from nationalized bank. Higher education was increasing with the new paradigm. The nationalized bank is one of the biggest providers of the educational loan. The basic purpose of this study is to identify the procedure of nationalized bank Educational loan and give suggestions for improving the bank services among the students.

OBJECTIVES OF THE STUDY

- To ascertain the procedure for sanctioning an educational loan.

- To ascertain the level of satisfaction about the educational loan scheme and procedure among students who have obtained the loan.
- To identify the factors influencing the level of satisfaction.
- To suggest suitable measure for improving the level of satisfaction among students.

LIMITATIONS OF THE STUDY

1. Time constraint was a major limitation of this study.
2. The study is restricted to Coimbatore city only.
3. Since the sample size has been limited up to 300 respondents.
4. The sample size is limited. Certain respondents were not co-operated & also give unreliable answers.

REVIEW OF LITERATURE

S.S.Kohli (2004)¹ concluded in his study bank can revised their fixed rate loans higher, this is a risk management exercise to safeguard their asset, liability management. But a firming up to lending rates can only be witnessed of the RBI increases the bank rate.

RESEARCH METHODOLOGY

Research Methodology is a way to solve the research problems. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research techniques but also the methodology. Research methods refer to the behavior on a instrument used in selecting and constructing research techniques.

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data manner that aims to combine relevance to the research purpose with economy in procedure the research design used in this study was descriptive and the state of affairs as it exists at present.

DATA COLLECTION METHOD

The data collected in two ways:

- Primary data
- Secondary data

Primary data

Primary data is the first hand data, which are selected a fresh and thus happen to be original in character. Primary data was crucial to know various students views about Education Loan.

Secondary data

Secondary data are those which have been collected by someone else and which already have been passed through statistical process. Secondary data has been taken from internet, newspaper and Bank's

websites.

SAMPLE DESIGN

A sample design is a definite plan for a given population. It refers to the techniques or procedure the researcher would adopt in selecting items for the sample. Sample design may as well as lay down the number of items to be included in the sampling design is determinate before data are collected.

SAMPLE SIZE

Data collection is based on primary data. Sample of 300 respondents are taken for this study.

SAMPLING TECHNIQUE

Sampling techniques used in this study is "convenience sampling".

TOOLS USED FOR ANALYSIS

- Simple Percentage Analysis
- Chi-Square Test
- Ranking Method

DATA ANALYSIS AND INTERPRETATION

Analysis is the process of placing data in an ordered form, combining with the existing information and extracting the meaning from them.

Table 1: PERSONAL INFORMATION

Personal Information	Data	NO	%
Gender	Male	184	61
	Female	116	39
Age Group	Below 18 Years	69	23
	18 – 23 Years	192	64
	Above 23 Years	39	13
Educational Status	Under Graduate	132	44
	Post Graduate	98	33
	Research	36	12
	Professional	34	11
Occupation	Government Employee	68	23
	Private Employee	98	32
	Business	72	24
	Others	62	21
Monthly Income	Below 10000	116	39
	10001 – 15000	62	21
	15001 – 20000	104	34
	Above 20000	18	6

Source: Primary Data

Table 1 shows the distribution of the respondents based on Gender, age group, educational status, occupation and monthly income

CHI-SQUARE TEST

The Chi-square test is one of the simplest and most widely used non-parametric test in statistical work. It has been applied for testing the significant relationship between gender, age group, educational qualification, nature of family and members in the family.

RELATIONSHIP BETWEEN GENDER AND LEVEL OF SATISFACTION NULL HYPOTHESIS (H_0)

There is no significant relationship between gender and level of satisfaction.

ALTERNATIVE HYPOTHESIS (H_1)

There is significant relationship between gender and level of satisfaction.

Table 2 : CHI-SQUARE TEST SATISFACTORY LEVEL BASED ON GENDER OF THE SAMPLE RESPONDENTS

GENDER	LEVEL OF SATISFACTION			TOTAL
	HIGH	MEDIUM	LOW	
Male	60	64	60	184
Female	40	40	36	116
TOTAL	100	104	96	300

Source: Primary Data

INTERPRETATION

From the above table it is clear that out of 300 sample respondents 184 respondents are male and 116 respondents are female respondents. Out of total male respondents 60 have high level of satisfaction and in female 40 having high level of satisfaction.

Chi-Square

Calculated Value	Degree of Freedom	Level of Significance	Table Value	Result
3.031751	2	5%	5.991	Accepted

It is found that the above table that the calculated value is less than the table value at 5% level of significance with 2 degree of freedom. So, hypothesis is accepted.

Hence there is no significant relationship between gender and level of satisfaction.

RANKING ANALYSIS

A ranking is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than' or 'ranked equal to' the second. For each factor from first to tenth ranks were allotted from 10 to 1 respectively based on the total points the factor which occurred maximum points, is given first rank, second rank and so on.

The rank analysis is used for the following table.

Table 3: TABLE SHOWING THE RANKING ANALYSIS OF BANKING

Factors	I	II	III	IV	V	VI	VII	VIII	IX	X	Total Points	Rank
Rules & Regulations	48	83	18	30	33	25	23	10	18	12	2074	II
Processing Charge	32	52	50	80	37	13	18	3	5	10	2136	I
Interest Rate	48	28	40	40	15	35	13	23	30	28	1806	V
Security	30	33	62	30	48	30	35	20	10	2	1963	III
Documentation	55	35	30	38	35	34	18	25	10	20	1938	IV
Non-Response	31	13	18	18	53	43	28	35	18	38	1521	VII
Margin	15	48	33	38	38	33	28	19	30	18	1754	VI
Formalities	10	20	32	24	18	35	70	38	20	33	1454	IX
Eligibility Criteria	15	20	15	38	33	15	51	63	30	20	1462	VIII
Availability of Documents at time	4	18	23	20	13	30	23	33	98	38	1179	X

Source: Primary Data

INTERPRETATION

The above table reveals that out of 300 respondents, the factor processing charge was assigned to first rank, rules and regulation was assigned to second rank, security was assigned to third rank, documentation was assigned to fourth rank, interest rate was assigned to fifth rank, margin was assigned to sixth rank, non-response was assigned to seventh rank, eligibility criteria was assigned to eighth rank, formalities was assigned to ninth rank and availability of Documents at time was assigned tenth rank.

SUMMARY OF FINDINGS SUGGESTIONS AND CONCLUSION FINDINGS

- ❖ 61% of sample respondents are male.
- ❖ 64% of sample respondents are between the age group of 18 years to 23 years.
- ❖ 68% of sample respondents are having up to 3 members in the family.
- ❖ 32% of sample respondents are private employee.
- ❖ There is no significant relationship between gender and level of satisfaction.
- ❖ There is no significant relationship between age group and level

of satisfaction.

- ❖ The factor processing charge was assigned to first rank

SUGGESTIONS

- ❖ The banks may liberalize its procedure to get the educational loan for make it easy to students.
- ❖ The banks may not ask securities to provide.
- ❖ The bankers should educate about loan in higher secondary itself.
- ❖ The bankers should advertise for rural area student.
- ❖ The government may particularly concentrate in professional oriented course as well as for technologies and diploma course.
- ❖ The government may have some assistant to bank for students.

CONCLUSION

Think twice before taking the loan. Taking a loan is not a simple thing and it is not free. If students don't pay the amount and there is no genuine reason, the bank will not leave student. Student should have confidence on their self on completing the course, getting the job related to their studies and repay the loan. If student are not sure about the repayment, then they don't go for loan. It will be a burden for student as well as to their family and their property.

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