

CHAPTER-I

INTRODUCTION

1. 1 Background

Information the logical output of an information system is vital importance to the managers of a company to achieve short, intermediate and long range goals there is a growing awareness that accurate and timely, information is a vital resource of the firm & that as effective information system is a means of providing the needed information.

If the information system doesn't produce the information necessary for management to headless its operations effectively an "out of control condition may result and the firm may recover. As examination of firms that have experience difficult times over the years will verify this point. Information which is essence is the analysis and synthesis of data is to undoubtedly be of the most vital corporate resources. It is structured into models for planning and decision making information is incorporated into measurement of performance & profitability. It is integrated into product design and safety methods. In other words, information almost recommends & treated as an asset in a modern organization

1.1.1 Information System Overview

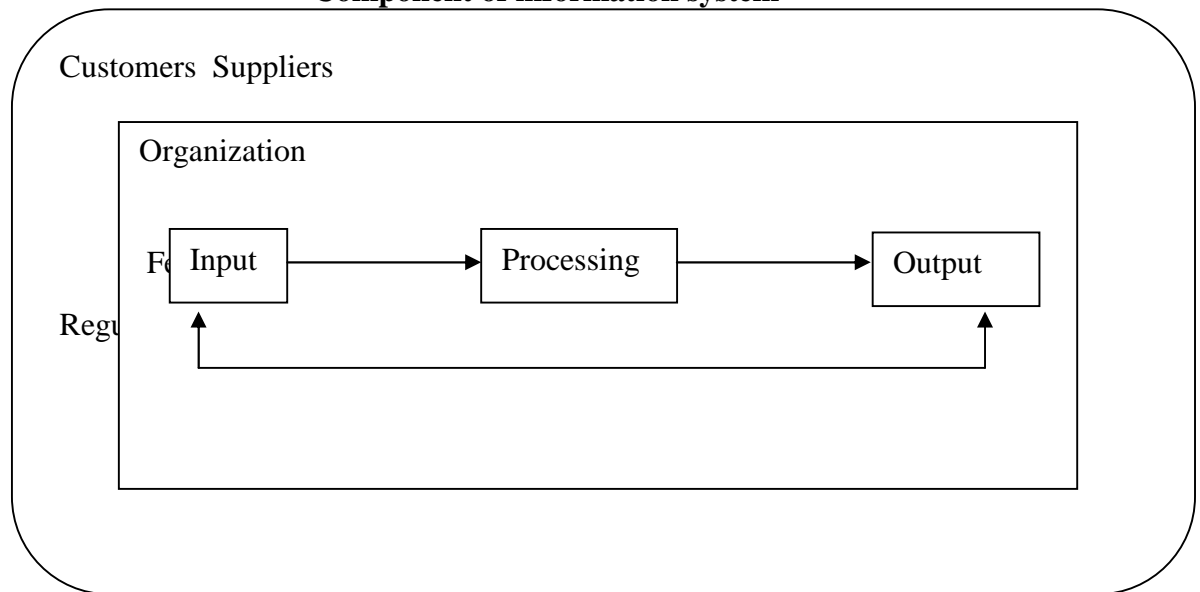
According to definition of International federation for information processing (IFIP) and Benthic computing society (BCS) in 1885 defined information system as a system which assembles stores, processes and delivers information relevant an organization in such way that the information is accessible and useful to those who wish to use it including managers, staff, clients & citizens An information system is a human activity system which may or may not involve the use of computer system."The mission for information systems is an organization is to improve the performance of people in organizations through the use of information technology" (Mc Nursling and Sprague 1989: P). Thus an information system takes an organization from the position of computer orientation to information orientation. In this organization, Information system (IS) focus is the improving organizational performance via its

people who make up the organization and the resolve for this improvement in information technology.

According to Alters' (1995) Definition of an information system is a system that uses information technology to capture , transmute , store , retrieve , manipulate or display information that is use in one or more business processes , Hence information system in an organization within managerial process is used for operational control , management control and strategic planning .

Thus information is a vital ingredient for the operators and management of any organization the scope of a formal information system in an organization is Limited by the data that can be obtained the cost of processing & strong the data the cost of retrieval and distribution the value of the information of the user and the capability of the human to accept and act the information. Computer based information system is designed to both reduce the costs and increase the capabilities of organizational information processing & increase organizational effectiveness consequently in the last two decades information technology has emerged in the world affecting our personal social public life and has made a significant or quality of life .

Fig. 1.1
Component of information system



Thus in the changing environment of world information technology (IT) helps to optimize the use of scarce resources through intelligent information support for decision making & helps further in its implementation by supporting co-ordination effort without wasteful delay decision making has become a very compiler process due to competitive environment . Scarce resources time pressure & unavoidable compulsions to achieve goals it replaces do out date show method by fast ores. It allows to handle big & compiler data and its structure with ease which was never possible easier it helps to test the solution without implementing them.

The distance and access are no longer technical or operational problems, as information stores anywhere can be used without its personal possession. It has affected the work culture in organization & life style of each individual information therefore it is considered as sixth productive resources along with men machine material money and management it can be developed only by designing proper information systems for the management of the organization .

1.1.2 Management information system (MIS)

Management information system (MIS) can be defined as the combination of human & computer based resources that results in the collection storage retrieval communication & use of data for the purpose of efficient management of operations and for business planning the system utilizes computer hardware and software. Manual procedures modeling for analyst is planning control and decision making and a database.

Originally the idea behind the MIS concept was that a single, larger scale integrated system could be developed to support all levels of management. Organizations failed to achieve this goal as it was based on the assumption that members of management could identify all their information needs in advance which is impossible it can be much better represented as a collection of several information subsystems.

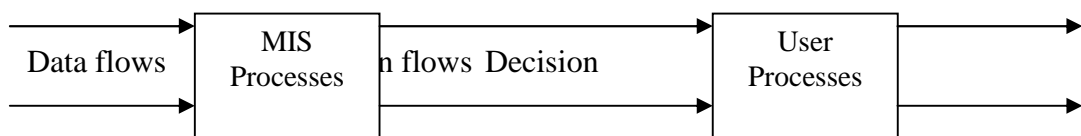
The fact that it is an integrated system doesn't mean that it is a single structure; rather it means that the parts fit into an overall design. As the definition states, the MIS is for meeting information needs for various levels of the organization in the previous setting, we have already discussed about the different levels of management in an organization & their information requirement. Management comprises the processes or activities that describe what managers do in the operation of their organization plan organize & control operations? The purpose of the management system is to develop plans for achieving objectives to organize for implementing plans & to control performance so that plans & actions occur in a schedule.

Information consists of data that have been retrieved or otherwise used for information purposes, argument or as a basis for forecasting or decision making hence, this resource has to be organized or managed as managed other resources without systematic approach it is not possible to obtain right information at the right time.

A system is a set of elements joined together for a common objective. A sub-system is part of a larger system with which we are concerned. All system is parts of larger system. The organization is the system & part (department, division and units) are sub-system. The system concept of MIS are therefore one of optimizing the output of the organization by connecting the operating sub-system through the medium of information exchange. Hence, MIS can be defined as - A system to convert data from internal & external sources into information & to communicate the information in an appropriate format managers at all levels in all function to enable them to make timely & effective decision for planning, directing & controlling the activities for which they are responsible. The following diagram shows the routine facts & figures of the organization into information which is then used for decision making.

Fig.1.2

Information flow



1.1.3 History of Life insurance company

This history of life insurance is not a very hard one to understand today, life insurance is simply the contract between a single individual and an insurance company dictating that the company is to pay the policy holder's beneficiary if the insured dies but where did the idea of being insured at death come from? Who were the first people that implemented this idea? What did they do when the amounts of many were not as high as those of the companies in the life insurance industry today? When did the actual life insurance industry start? All these are pretty interesting questions and the fact of the matter is that some of them cannot be answered to a high extent; however we do know a lot about the history of this wonderful thing that today covers people from all around the globe.

In today's life insurance has moved quite a lot from when it first started in Rome & India. Major organizations with great world interaction & power have surfaced, companies that have a lot to say in both the economic & political world have come to exist as you can see the market right now is in a boom and there are many life insurance companies coming to life who know what will happen in the future but as at now customer should be happy with their options and the thousands of companies that they can choose from.

1.1.4 Life insurance in Nepal

There are 9 life insurance companies in Nepal till now. Among them 8 companies are from the private sector and only one company is from the government sector. Most of the companies are focusing their business in the city area, but these days companies are also enhancing their business in the rural area because of high competition in urban areas.

- Nepal life insurance Company
- Gurance life insurance
- Bima sansthan (government company)
- Asain life insurance company
- Surya life insurance company
- American life insurance company
- Prime life insurance company
- Life insurance company
- National life insurance.

1.1.5Nepal Life Insurance Company

Nepal Life, established under the Company Act 2053 and Insurance Act 2049 as a public limited company on 2058/01/21 (04/05/2001). Nepal Life is the foremost life insurance company established by private investors. The promoters of the company are a group of well-known businessmen and business houses of Nepal. Within the eleven years of operation the Company has set up an excellent business record and has a strong financial position.

The company has an authorized capital of Rs.100 Corer. Total issued Capital of Rs.50 Corer and Paid-up Capital of Rs.37.5 Corer. As on poush 2067 the company has insured 3, 65,562 under conventional policies worth Rs.3707 Corer and 83,559 Foreign Expatriate policies worth Rs.4178 Corer. Out of the total premium collected the company has invested Rs.635 Corer as per guidelines of Bima Samiti. The company has insured itself with well-known reinsurance company "Hannover Re Life Reinsurance Company", Germany for conventional policies and "SCOR Global Life", France for Term Assurance Foreign Expatriate policies.

To endeavor through the noble institution of Life Insurance in making every family economically safe and secure whereby every citizen of Nepal may contribute his might in building a healthy, prosperous, strong & Vibrant Nation.

To cater to financial and social needs of every segment of society by designing differentiated and innovative insurance instruments. To provide after sales service to customers that can be hailed as the best. Being in the business of selling life insurance products it is performing the same job as the other insurers dealing with "Life Insurance". However, Nepal Life

Insurance Company has its own identity because of the mission and manner for which it is working. The company is working with a time bound strategy to fulfill its vision of spreading message of insurance to every home and to contribute substantially in making Nepal an economically healthy and vibrant nation. Apart from spreading the network of branches all over Nepal the company plans to make a quantum jump in number of agents and to provide them adequate training for providing knowledge and skill, so that the company can reach and depth in the market. The company is focusing on providing qualitative services of International Standard. Our ambition is to provide across the counter services in all its operations.

This ambition cannot be fulfilled without the help of information technology. The company has strong IT infrastructure. All Branches of Nepal Life has been connected through wide area networking to provide better customers service.

1.1.6 MIS in Nepal Life Insurance Company

Today lots of life insurance company has established its services through the country & introduces its new business for their services, Nepal Life Insurance Company provides good opportunity to staffs to join their company. So in this context Nepal Life insurance company management should motivate their staffs and providing Training for the upliftment of the organization.

An organization, which aspires to grow must tune with the changing needs of the society. Training becomes relevant in the context since it is only through training that the gap between performance of the organization & the field need of a changing society can be neutralized. Training reduces the gap by increasing company knowledge, skill, ability and attitude. Therefore, Training division is one of the important divisions of Nepal Life Insurance under personnel department. This division provides training for their staffs through local training, Life Insurance training, policy training to achieve organizations aim & objectives.

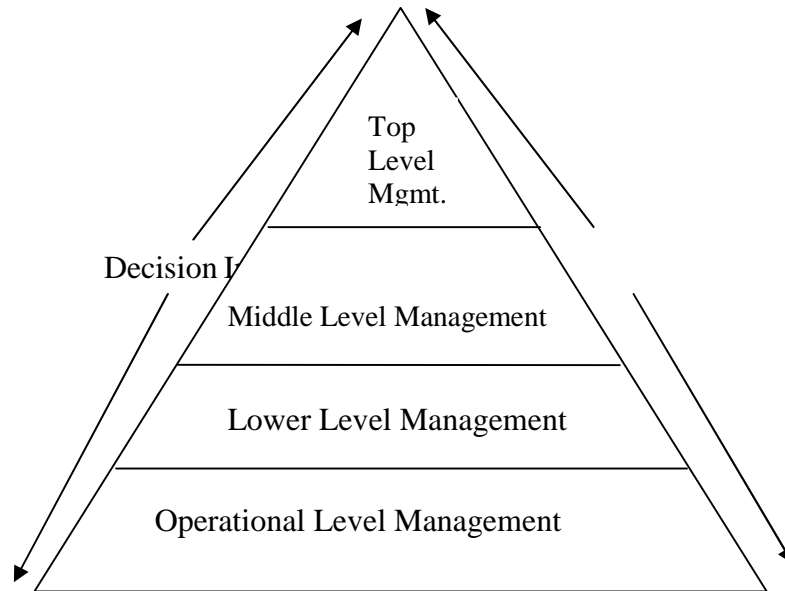
MIS is an urgent need in order for different department and division. In an organization, each person is the user of MIS. The people in the organization operate at all level in hierarchy. A typical user is clerk, an assistant, an office. An Executive or a manager each of them has specific task & role to play in the management of the business. The MIS office the method & facilities, to integrate the data & role report the same in a proper format. An executive plays the role of a devisor maker. He is in a position of responsibility & accountability, a position of planner & decision maker. He is responsible for achieving the targets & goals of the organization The MIS provides facilities to an aliped the data & offer the decision support system to perform the task of execution the MIS provides action oriented information.

1.1.7Level of management and flow of information in Nepal Life Insurance

In a recent year organizational structure has changed as part of downsizing and business process re-engineering. Many companies reduced the number of management level & delegate responsibility to operational personnel although the organization chart to be somewhat flatter, a traditional hierarchy still exists in most companies.

Fig. 1.3

Level of management & Flow of information



In the typical organizational model operational personnel report to lower and middle level managers, who in turn report to top managers? In a corporate structure, the top managers report to the board of directors that is elected by company shareholders. Though the titles vary distinct levels of responsibility. A system analyst must understand the company organizational model in order to recognize who is responsible for business processes & decisions & hence to be aware of what information is requested by whom.

a) Top management:

Top managers develop long range plans, called strategic plans that define the company's overall mission & goals to carry out that task, top managers ask questions such as how much will internet sales grow in the next 5 years or "should the company build new factories or contract out the production function?"

Strategic planning focuses on issues that affect the company future survival & growth , including long term It plans top managers flows on the entire business enterprise & use information systems to set the company course & direction .To develop a strategic plan, top managers also need economic forecasts, technology trends, competitive threats governmental issues & shareholders concerns.

b) Middle Management:

Middle managers focus their goals on a shorter time frame usually ranking from one month to one year. They develop plans to achieve business objectives in a process called tactical planning Middle managers delegate authority & responsibility to team leaders or supervisors & then provide direction, necessary resources, and feedback on Performance as task are completed. Middle managers need more detailed information than top managers, but somewhat less, information than team leaders & supervision. Middle managers also use business support systems, knowledge management systems and user productivity systems to perform their jobs.

c) Lower Management:

Supervisors and team leader oversee operational employees and carry out day today operational plans they coordinate operational tasks make necessary decisions & ensure that the right tools. Material and training are available like other managers, this group often needs decision support information consult knowledge management systems relies on user productivity systems to carry out their day to day responsibility.

d) Operational Employees:

Operational employees primarily use TP (Transaction processing) systems to enter and receive data they need to perform their jobs in many companies, operational employees also need information to handle tasks & make decisions they were assigned previously to supervisors. This trend called empowerment gives employees more responsibility & accountability. Many companies find that empowerment leads to better employee motivation & increase customer satisfaction.

1.1.8 Major role of MIS in organization

MIS helps in various system is query system, analysis system, modeling system & decision support system.

MIS helps in strategic planning management control, operational control & Transactions processing

MIS plays a role in information generation, communication problem identification & the process of decision making.

MIS helps in management administration & operation of an organization.

1.2 Focus of the study

The application of computerized information system & information technology has been increasing constantly. The development of information technology & their use by the business organization to extend its activities worldwide made the organization more competitive than before. Generally training in the life insurance is more challenging it needs up to date information to carry out its trained manpower activities.

The research study conducted in Nepal life insurance has been focused in Training department with reference to information system the study

mainly focused on flow of information to co-ordinate & communicate different divisions and units. It is said that "the success and failure of organization largely depends on the effectiveness of Training department where the role of information system cannot be measured"

1.3 Statement of problem

MIS is a computerized business processing system generating information for the people in the organization to meet the information needs for decision making to achieve the corporate objective of the organization. A typical user of MIS " clerk an assistant an officer, an executive, or a manager Applicator of MIS makes a service organization effective & efficient in providing the best service to the customers and plays vital role in effective management of the organization. Nepal life insurance company one of the highest policy maker, which was established for the company act Nepal life insurance company is an important company not only in term of large scale of policy transition & volume of operations but it has also a significant place for the economic and social development of the county but Nepal life insurance facing Problem due to the lack of advanced information system like MIS. Since information is a vital resource in modern management. It is like a blood for organization information has major role in management decision making & day to day operational has made or attempt to study and analyze current information systems flow of information and data in during division and decision making process in Nepal life insurance company. Further researcher raised a question statement of problem as:

- a)How information should be flow systematically within the management to communicate and co-ordinate different department

and division due to lack of network based computer information system?

- b) Whatever traditional paper based information system and centralization of authority creates the problem in decision making to carry out managerial activities smoothly?
- c) Whatever mishandling miss understanding and misdirection of information that generally creates irregular Training, training delay, training cancellation and changes in training schedules that impact on the goodwill and reputation of an organization?

1.4 Objectives of the study

The main objectives are:

- a) To examine existing management information system and information flow procedure of Nepal Life Insurance Company.
- b) To evaluate the technology used by management in Nepal Life Insurance Company.
- c) To find out the new system design suitable to the management of Nepal Life Insurance Company for applying new system design.

1.5 Limitations of the Study

Each and every study or task has its own limitations and boundaries' this project work research are no exception the research study have the following limitations which are divided into different categories as follows.

- a) The field study is mainly focus on management information system of Nepal Life Insurance Company

- b)The main source of data is the answer given by the respondents of the organization. The methods of questionnaires etc. were used to collect the data.
- c)Study existing information system of management in a Nepal Life Insurance company.
- d)The study has taken data & information of 2007-2012.

1.6 Significance of the study

The main study is that the MIS play a vital role in the management, administer and operation of the organization.

This study has been conducted to find out information flow, day today operation , decision making planning & environment to get information from MIS as well as some factors such as the market forces, technology changes, etc. the significance arises out of the complexity of decision making, the human factor in decision making, the organizational & behavior aspects & the uncertain environment the MIS deign addressing these significant factors turns out to be the best design, since the MIS satisfies the information need of the people in particulars. The design of MIS cannot be common or universal for all the organization. the principle of design & the use of the information concepts in design do not change but when it comes to the applicants, the design had to give a regard to the organization structure, the culture, the attitudes & the beliefs of the people, strengths & the weaknesses of the organization hence, the performance of the MIS start decaying in the post implementation period & it is necessary to provide negative entropy to bring back the system to it equilibrium.

1.7 Organization of the study

This research mainly focused five chapters on the behalves of Chapter One - Introduction, Chapter Two- Literature review, Chapter three- Research Mythology, chapter four- presentation and analysis of data & chapter five- summary, conclusion& recommendation.

Chapter I: Introduction

Chapter II: Review of Literature

Chapter III: Research Mythology

Chapter IV: Presentation and Analysis of Data

Chapter V: Summary Conclusion& Recommendation

Chapter I: - introduction

The first chapter deals with background, focus of the study, statement of the problems, objective of the study, significance of the study, limitation of the study & the organization of the study.

Chapter II: Review of Literature

The second chapter "literature review" deals with the review of related literatures & available studies written & prepared by different expert & research follow in the field of management information system.

Chapter III: Research Methodology

The third chapter "research methodology" presents the methodology used in the study. It deals with research design, nature & sourced of data, collection of data, data proceeding & methods of data analyze

Chapter IV: Presentation and analysis of data

The fourth chapter fulfills the objectives of the study by presenting the data & analyzing them with the help of system level did and context level did. At the last part of the chapter, an explanation of the interview and the major findings of the whole study have been presented.

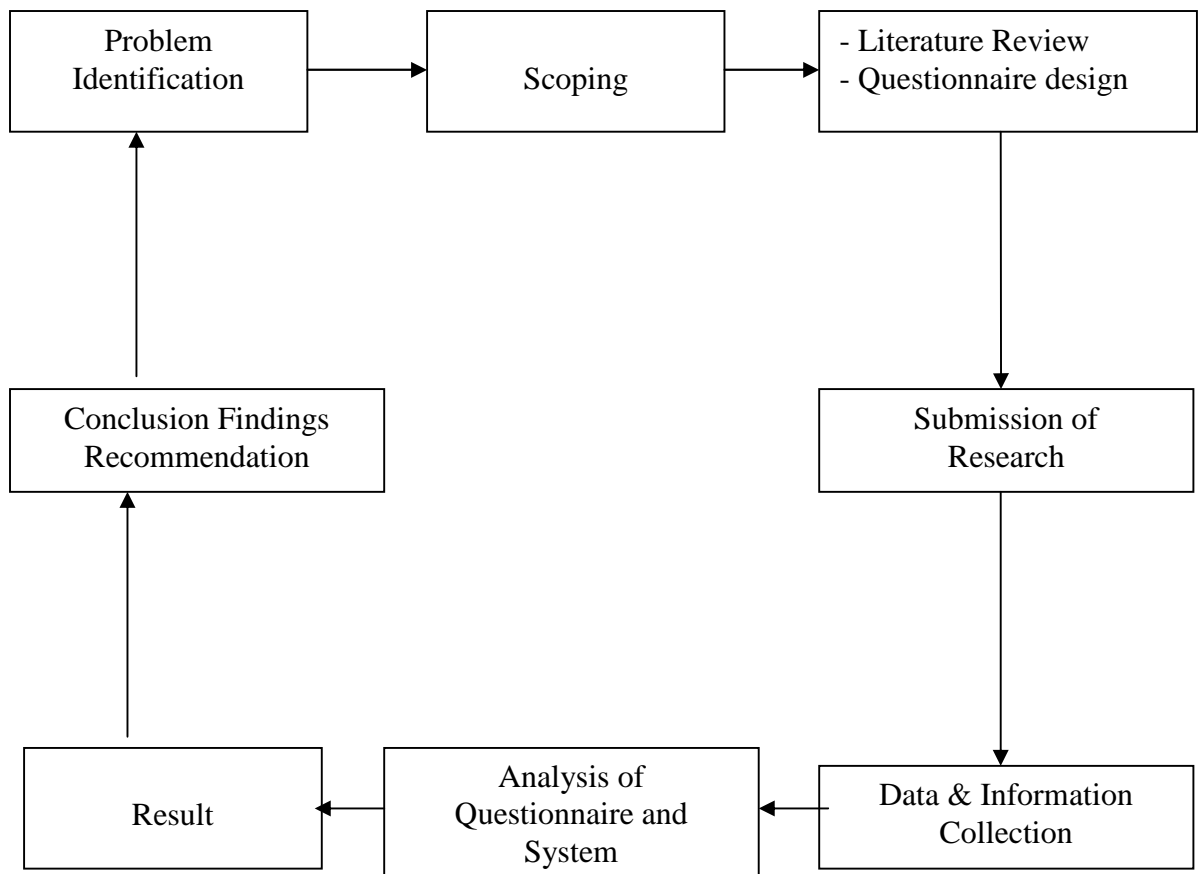
Chapter V: Summary, Conclusion & Recommendations

The fifth chapter summarizes the whole study, Moreover it draws the conclusion & forwards the commendation for the improvement of training system of Nepal Life insurance.

1.7 Activities of research work

Fig. 1.4

Activities of research work



CHAPTER-II

REVIEW OF LITERATURE

After topic Selection, the next step of researchers is to develop concepts and ideas about the selected topic by reviewing all the relevant materials. In fact review of Literature begins with a search for a suitable topic and continues throughout the duration of the research work for achieving the objectives of this research. Following review was made:

2.1 Review of literature

This section emphasizes on the importance of reference of supporting information that were processed in the duration of the study .A base study can be basely initiated without the review of relevant appropriate & enough information related to the topic of study. While careful measures were taken to make sure that correct & relevant information have been sorted out & used during the study's enough information through various references & earlier research documents on similar topics were reviewed.

The section has been divided into three units; the conceptual framework unit makes an attempt to explain the theoretical base of the study and the concepts. It elaborately explains what a management information system. And why is it important in the scope of the study. It also provides conceptual details on total quantity management & its relevance to management information system & articles, all external references made have been listed & explained with context. It includes all books, article, journals and whitepapers referred in test or online.

The 'review of related research studies' unit lists five earlier research document on related topics or close dimensions & explains in detail the attempts made by them & the research gap existing. It conclusively compares them to this study & explains how this study has achieved more in contrast to them.

- a)To generate reports for management information system.
- b)To answer what if questions asked by management.

To support decision making. This type of MIS is appropriately called "decision support system (DSS). DSS attempts to integrate the decision makes. The data base & the quantitative model being used.

Though mostly observed & generally accepted as computer based systems management information systems do not necessarily have to be computerized. Today the need for an effective management information system is of primary concern to the business organization manages use MIS operations for all phases of management, including planning, organizing directing & controlling (melody, 1995:214).

There are certain goals & objectives that an organization implementation MIS targets. In process of developing information systems that fill user's needs, the methodology must have made elaborate attempts to understand organizational structures, primers objectives & business, operations (including) processes & the flow of data between processes, ways to communicate effectively with users. & concepts formulate on how to design systems that support their activities.

2.1.1 Theoretical Review

On the one hand, human life is subject to various risks—risk of death or disability due to natural or accidental causes. Humans are also prone to diseases, the treatment of which may involve huge expenditure. On the other hand, property owned by man is exposed to various hazards, natural and man-made.

When human life is lost or a person is disabled permanently or temporarily, there is a loss of income to the household. The family is put to hardship. Sometimes survival itself is at stake for the dependents. When comes to property loss or damage to property results in either whole or partial loss in income to the person or entity.

Risk has the element of unpredictability. Death/disability or loss/damage could occur at any time. Losses can be mitigated through insurance. Insurance is a commodity which offers protection against various contingencies.

Insurance products available for life and non-life are many. In non-life, apart from personal covers such as accident covers and health insurance, there are products covering liabilities under a particular law and or common law. The various products are designed to cater to different needs of an individual or industry such as fire insurance policy on multi-storied building, householder's policy. An insurance contract promises to make good to the insured a certain sum in consideration for a payment in the form of premium from the insured.

Human life cannot be valued. Hence the sum assured (or the amount guaranteed to be paid in the event of a loss) is by way of a 'benefit' in the case of life insurance. Life insurance products provide a definite amount of money to the dependents of the insured in case the life insured dies during his active income earning period or becomes disabled on account of an accident causing reduction/complete loss in his income earnings. An individual can also protect his old age when he ceases to earn and has no other means of income by purchasing an annuity product.

A Personal Accident cover is also for protection. In the event of death or disability, permanent or temporary, of the insured, it provides for compensation which is either the whole or a percentage of the Capital Sum Insured depending on the kind of loss.

In the case of Health Insurance, the policy seeks to cover expenses towards of treatment of diseases and or injury up to the Sum Insured opted for by the insured.

In respect of insurance relating to property, there are many products available. Property may be covered against fire and perils of nature including flood, earthquake etc. Machinery may be insured for breakdown. Goods in transit can be insured under a marine cargo insurance cover. Insurance covers are also available for ships and other vessels. A motor insurance policy covers third party damage as well as damage to the vehicle.

Insurance of property is based on the principle of indemnity. The idea is to bring the insured to the same financial position as he /she was before the loss occurred. It safeguards the investment in the property.

Where there is no insurance, losses can major a project or an industry. General Insurance offers stability to the economy and to the society. Insurance offers security and so peace of mind to the individual. The concept of insurance is that the losses of a few are made good by contribution from many. It is based on the law of large numbers. It stemmed from the need of man to find a solution for mitigation of losses. It also reflects the nature of man to find a solution collectively.

It is important for all to understand the various products that life and general insurance companies offer before they make a choice as to the product they want to buy.

As per regulations, insurers have to give the various features of the products at the point of sale. The insured should also go through the various terms and conditions of the products and understand what they have bought and met their insurance needs. They ought to understand the claim procedures so that they know what to do in the event of a loss.

2.2 Conceptual framework

The concept of the MIS has evolved over the period of time comparing many different facts of the organization functions. MIS is necessary of all the organizations. The initial concept of MIS was to process data from the organization & presorts of in the form of reports at regular intervals. The system was largely capable of handling the data from collection to processing.

It was more impersonal requiring each individual to pick and choose the processed data and use it for his requirements. This concept was further modified when a distention was mode between data and information.

The information is a product of an analysis of the raw data it was therefore demanded that the system concept should be an individual oriented, as each individual may have a different orientation towards the information.

This concept was further modified, that the system should present information in such a form and format that it creates an impact on its

users provoking a decision, an action or an investigation. It was later realized that even though such an impact was a welcome modification some sort of selective approach was necessary in the analysis and reporting. Hence the concept of accepting reporting was imbedded in MIS. This concept was necessary to evolve in the organization. This concept remained valid till and to the extent that the norm for an exception remained true and effective.

Since the environment turns competitive and is ever changing fixation of the norm for an exception became a fulfill exedras at least for the people in the higher echelons of the organization the concept was then evolved that the system should be capable of handling a need - based exception reporting this need may be either of an individuals or a group of people this called for keeping all data together in such a form that can be accessed by anybody and cab be recessed to suit his/her needs. The concept is that the data is one but it can be viewed by different individuals in different ways. This gave rise to the concept of database and the MIS based on the Database proved much more effective.

Over a period of time, when these conceptual developments were taking place, the concept of the end - user computing using multiple databases emerged. This concept brought a fundamental change in MIS. The change was decentralization of system and the use of the information an MIS gives information through data analysis while analyzing the data, it realizes on many academic disciplines. There include the theories, principles 7 conception from the management science, management accounting & operations research, organizational behavior, engineering, computer science, psychology & human behavior, making MIS or affective & useful tool. There academic disciplines are used in designing the MIS, evolving the decision support tools for decision making (Jawadekar: 2000-7-10)

The foundation of MIS is the principles of management & its practices. MIS user the concept of management control in its design & relies heavily on the fact that the decision maker or the manger is the human being & is a human processor of information.

MIS can be evolved and customized for a specific objective it is evolved after systematic planning & design. It calls for an analysis of a business

management view & policies, organization culture & the management style. The information should be generated in this setting & must be useful in managing the business. this is possible only when it is conceptualized as a therefore, relies heavily on the system theory offers solution to handle the complex situation of the input & output flows It user theories of communication which helps to evolve a system design capable of handling data input, processing & output with the least possible noise or distortion in transmitting the information from a source to a destination.

It user the principles of system designing via an open system of a closed system an open system of the MIS offers an ability of continuous adjustments of correction in the system in line with the environmental changes in which the MIS operates such a design helps to keep the MIS trued with the business management needs of the organization. The concept, therefore, is blend of principles, theories & practices of the management, information & system given rise to single product known as management information system (MIS)

The study is undoubted a challenging task. Thus, enough and appropriate preparation and building of a task environment for the prototypic study of the proposed system is essential. When a sample prototypic experiment was conducted, it showed positive signs and inspiring result, but a lack of proper review and theoretical base.

Thus, an extensive approach toward theoretical review was taken. Beside concentration on the methodology to be followed as mentioned in the extract from V.P. Michael's Research methods in management. The technique and formulation of the study plan were based on P.R. Joshi's Research methodology. It has been understood from the review that only a systematic and objective analysis and recording of controlled observation can generalizations principles and theories can be derived and developed, which eventually helps in predicting & possibly ultimate control of event. While theoretical review were made, the following consideration were made in order to establish relevance with the scope of study,

- a) Accuracy and dependability of the review literature.
- b) Relevance of the review literature.

During the review, the most helpful units from the compilation were a whitepaper from Kohli Hoadly title “An empirical study of practitioner. Attitudes towards effectiveness of Business process re-engineering concepts and tools”, received with gratitude from a friend from the Loyola College.

Rommey Marshall’s business process re-engineering provides a remarkable reference to the general idea about understanding and implementing the process of business redesign, which came in handy when making correction in the pro type. Businesses of MIS were referred in G.B. Davis and M.H. Olson’s “Management information system: conceptual foundations, structure and development”. Which provides very useful basic idea on the concept?

Jr. H.C. Lucas’s “information system concepts for management” and U.K. Banerjee and R.K. Sachdeva’s “Management information system: A new framework was quite helpful in due course.

For database management, the best reference was found in E.M. Awad and M.H. Gotterer’s “Database management” which has exactly the details required to design a classic management information system. Various websites were referred in due course to get reference and idea about the cutting edge implementation. While the details of the reference follow in bibliography section.

2.2.1 Concept of Management Information System

After having the concept of the three components of MIS, VIZ, management, information & system let us try to understand its definition while discussing various components, it has been clearly established that decision making is the essence of management & for taking rational decisions, management information (MIS) is an essential & vital input . (Goyal; 2000:14)

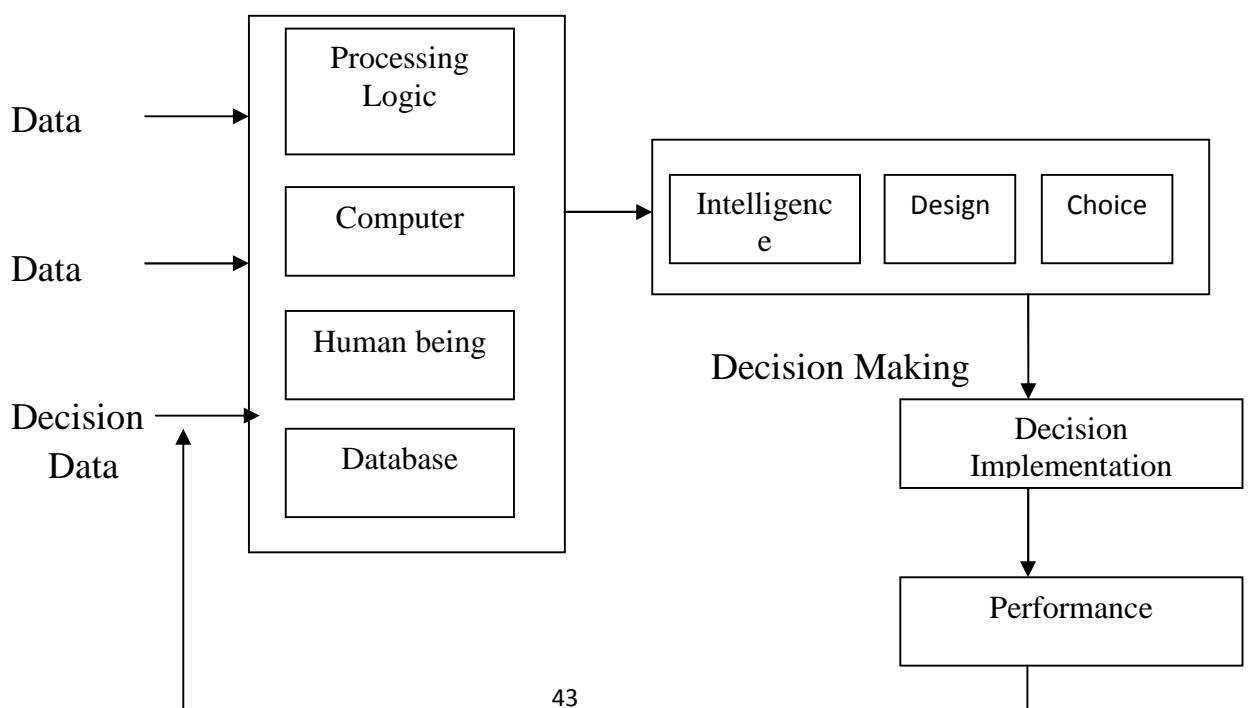
Further, to obtain management information, logical & well define & methods of information, which can are essential. If we simply combined all the above facts, we may devise our definition of MIS as follows.

Management information system is a system consisting of people, machine, procedures & database & data models, as its elements the system gather data from the internal & external sources of an organization. processes it and supplies management information to arsis mangers In the process of decision making here the word system implies that MIS follow the systems approach which means a holistic approach & is based on the concept of synergy where the output is prater than the sum of its parts, it clearly indicates that MIS is no single system, rather it is an integration system where parts (sub-systems) fit into an overall design. A diagrammatic representation of the concept of MIS has been shown as below. The purpose of MIS as understand today is to raise managing from the level of piecemeal steady information, intuitive guesswork & isolated problem solving to the level of system insight, system information, sophism dictated data processing & systems problem solving.

Fig. 2.5

Concept of MIS

Judgment- External Environmental Intuition

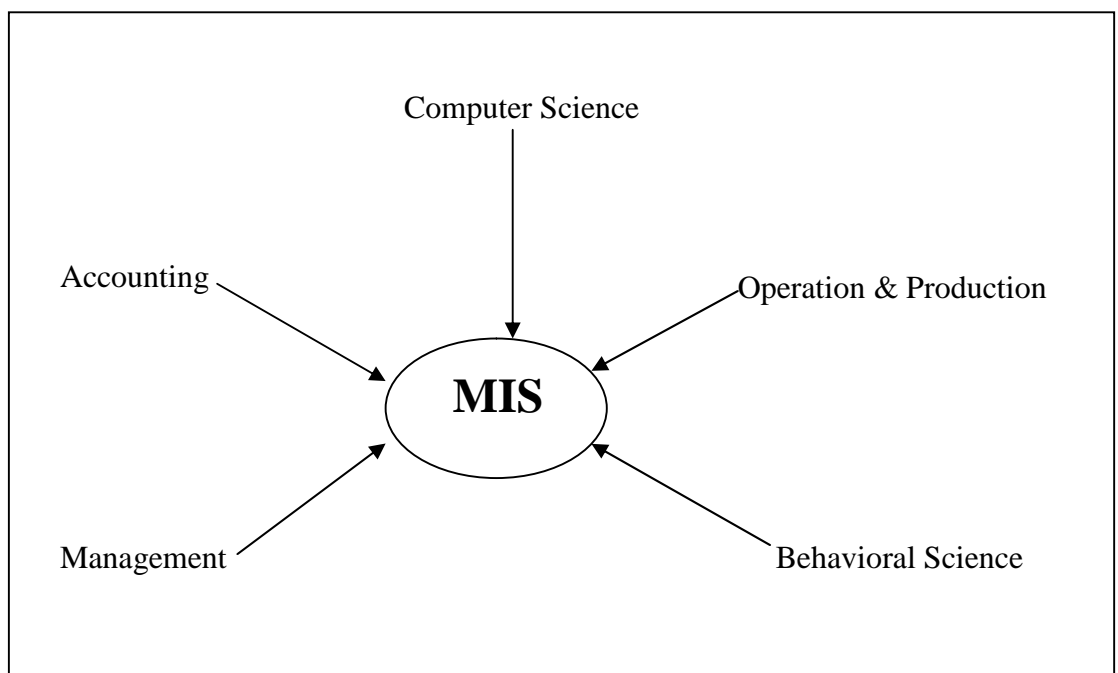


2.2.2 Nature and scope of MIS

The concept of MIS is inter-disciplinary in nature, i.e. it has borrowed its concept from a large number of disciplines like Accounting, Computers, Organizations, management, Operations Research & Behavioral sciences. etc. (Goyal; 2000:15)

Fig. 2.6

Interdisciplinary Nature of MIS.

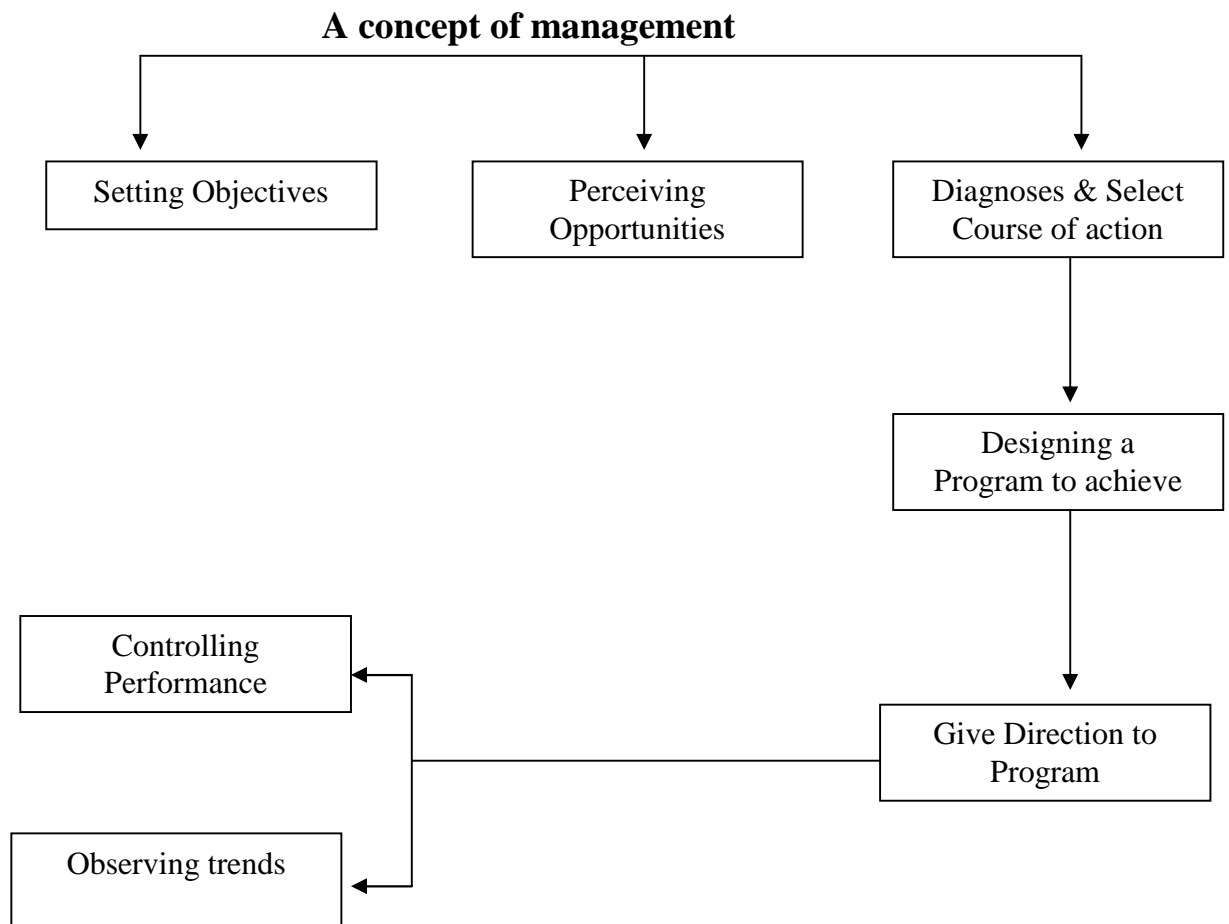


Because of its inter-disciplinary nature, MIS is neither termed as a pure science nor an art, rather it is considered as a combination of both. An information system is a logical system, which is concerned either how, something is being accomplished & this may be differentiated from a physical system, which is a process itself & is concerned with the content or 'what' is going on. MIS in fact, encompasses both physical & information system there has been a lot of debate on the issue whether MIS is more management-oriented or computer oriented. Though there are advocates of both the sides. MIS should be considered more of management subject than of computer because of simple logic those computers are just a tool in the hands of managers computers are used for their characteristics like accuracy, speed & capacity toward large amount of data. These computers find application in MIS & because of this MIS

may be termed as computers, based MIS (BMIS) in real world, a variety of information systems exists which may be manual information system where people used tools such as typewriters & calculators to convert supports data into information other system are CBMIS that use computers. However, because of high potential of computers, almost every organization would like to make use of CBMIS. In fact computer applications have increased the scope of MIS to a great extort. Now a day's MIS finds application in all functional areas of every type of business organizations at all levels as has already been discussed, MIS caters to information needs managements in an organization, this its scope lies in structured as well as unstructured type of information which could be gathered from internal as well as external scurries of the organization.

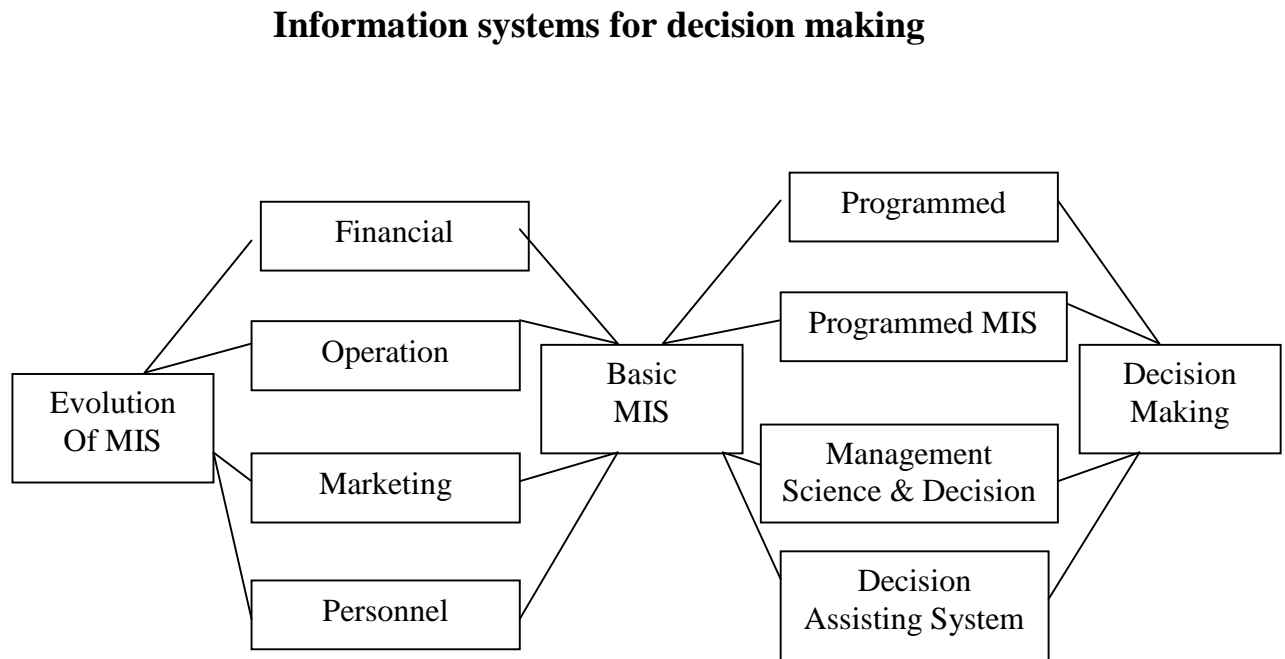
2.2.3 Management, Information and The system Approach

Fig. 2.7



2.2.4 Information systems for decision making

Fig.: 2.8



2.2.5 MIS and ITS Evolution

Since the adventurous development of BOP system basically connected with those of periodical developments in computer technology the trend management has change drastically in the recent era corresponding to the changing nature of complexities as such the modern management is quit related to the ability of data and information for a particular purpose of decision making and in the Other extreme more availability of data and information does not fulfill the managerial objectives but the reality lies in proper processing of data and information so as to figure out the decision we see that the processing function of data is today accomplished by the assistance of the machine and now it is clear that as the value of data for managerial purpose is quite tremendous and it is the value inter linked with the processing and management today's management is the process of obtaining and maintaining of sufficient data and information for timely and correct decision making so the evolution of MIS is older not more than by the evolution of computer technology in

data processing The idea of an information system to support management and decision making predates the use of computer which have extended the organization capabilities for implementing such a system Many of the ideas which are part of MIS evolved as part of other discipline Gordon better Davis has suggested four major areas of concept and system development . which are especially significant in tracing the evolution of the MIS concept (Davis : 1974:8)

According to this idea the MIS concept may be viewed as a substantial extension of the concept of managerial accounting taking into consideration the ideas and techniques of management science and the behavioral theories of management and decision making the capabilities of computers have added to the development of the MIS concept because new hardware in conceptualizing the information system for an organization.

Whenever the MIS is disclosed it is almost in variably stated that a management information systems does not necessarily require a computer & that many forms of management information are not computer based If means that the evolution of computer technology did not bring the MIS concept but what is most important to know that is many practical difficulties, environmental sophistication & theoretical complexities emerged for sufficient amount of data , and its proper handling procedures so as to reach a rational decision. In early stages, computers ware not originally planned for information processing but this is now the major use to which they are applied.

2.2.6 The different views of MIS

There has never been complete agreement on what the term MIS means, Although there have been a seemingly infinite number of views, are ban bloc them all down into three categories one view of MIS is that it has been replaced a second is that MIS inducer all business applicants of the computer. A third is the MIS is organizational resource.

a) The view that MIS has been replaced:

The MIS was a dramatic break from EDP, Recognizing that the computer could be used for something other than processing data during the period from mind 1960, until the mid-1970, there were only two computer applications in business EDP and MIS. Of the two, MIS received most of the attention. However when the DSS concept came along in the early 1970s, it learned many supporters from the MIS camp.

The weakness of this view that DSS replaced MIS is the argument that the MIS did not support decision making from the very beginning the main objective of the MIS has been to help managers make decisions. MIS pioneer, Joel D. Aron of IBM, Defined MIS in 1969 as "an information system which provides the mangers with that information he needs to make decisions.

Early MIS failures were not due to a faulty concept but to a faulty implementation of a concept that remains inherently sound. The MIS concept was and still is the reorganization that mangers use information in making decisions & the computer can provide some of that information.

b) The view that MIS includes all computer applications:

Another group did not attempt to completely eliminate MIS when DSS came along but instead gave it a new role. MIS became the umbrella for all business applications of the computer. This view is popular one now a day, everywhere we can find MIS, may be on college, there are MIS professors, & MIS research center & in college libraries you find MIS journals. In many companies you find that the computer department is named the MIS department. The problem this view, however, is that by making the MIS mean everything, if mean s nothing there is no specific computer application that can be labeled MIS.

c) The view that the MIS are organizational resources:

One way to overcome the limitations of the first two views, that the MIS still exists & that it must mean something specificities as if was originally conceived . As an organizational resources

2.2.7 Designing on Effective MIS

Practitioners in the field have broadly classified the approaches to be taken for development of MIS into two classes Top down approach & bottom up approach.

Top down approach begin by defining the objectives of the organizations & constraints. It proceeds to identify activities & decision situations which are followed by detaining of information requirements & subsequent development of data base & systems the bottom up approach start for individual applications & gradually integrations takes place & more & more, files are added in response of real needs. MIS, in the true sense, can be designed mainly through the top down approach, yet in practice a combination of both the approaches works out satisfactorily.

As defined already, management information system serves & supports the process of managerial activities with the above concept; the steps involved in the design of MIS can be started as follows:

- a) Understanding the management process of an organization
Examining the existing information set up
- b) Conceptualizing the information requirements to support the management process.
- c) Identifying the appropriate sources of data / inputs.
- d) Determining the methodology technique of covering the data into information.
- e) Deciding appropriate technology (manual/semi-automated / fully automated) for translating data into information.
- f) Preparing a master plan outlining the applications priority and time schedule of implementation resources required and the benefits from the system.
- g)Implementation in a phased manner. " the information we have is not what we want " the information we have is not want need "
- h)The information we need is not available."(prof Finale's law of formation)

2.3 MIS Development Approaches

There are seven approaches, which are used for developing MIS.

Top down Approach:

This approach develops a corporate plan as a guide for designing the information system. Here top management takes the lead in formulating objectives, policies and plans and communicates them down the line to middle and supervisory management for translating them into reality.

Bottom up Approach:

If consists of following five steps:

- Individual functional applications are planned separately consisting of transacting processing, Updating of files and simple report.
- Files of various functional applications are changing into a database.
- Various functions are added to operate on the database at management control level.
- Integration of models into a model base having a wide variety of analysis, decision and planning models.
- Strategic planning data and planning models are added to the information system.

Integrative Approach:

This approach permits managers at all levels to influence the design of information system. Here evaluation, modification and approval of top management continue, till a final design is acceptable to all levels.

Traditional Approach:

Here activities are performed in sequence. Each activity is undertaken only when the previous activity is completed. Managers and users consider and review the work performed by MIS professional during each stage of processing, in order to ensure accuracy & completeness.

Prototyping Approach:

In order to avoid any possible delay, prototyping approach is used. The goal is to develop a small or pilot version, called a prototype, which is built quickly and at lesser cost with the intention of modifying it when need arises.

End user Development Approach:

With the increasing availability of low cost technology, end user development is popular in many organizations. Here the end user is responsible for system development.

Systematic Approach for Development in small Organization:

Since fewer MIS professional shall be working having with variety of responsibility that they have little time to develop new system for users. In a very small organization, no MIS professional will exist. This does not mean that they cannot develop management information system.

2.4 Review of Article & Thesis

2.4.1 Review of Article

Management Information Systems (MIS)

MIS is a general name for the academic discipline covering the application of information technology to support the major functions and activities of either a private sector business or public sector institution. In business, information systems support the process of collection, manipulation, storage, distribution and utilization of an organization's information resources, business processes and operations .As an area of study it is also referred to as information technology management .The study of information systems is usually a commerce and business administration discipline, and frequently involves software engineering, but also distinguishes itself by concentrating on the integration of computer systems with the aims of the organization.

The area of study should not be confused with computer science which is more theoretical in nature and deals mainly with software creation, and not with computer engineering, which focuses more on the design of computer hardware. IT service management is a practitioner-focused discipline centering on the same general domain.

Management Information Systems are not just statistics and data analysis, but also assessment of human capabilities. They have to be used as an MBO—Management by Objectives-tool. They help to establish relevant

and measurable objectives; monitor results and performances (reach ratios) and send alerts to managers at each level of the organization, on all deviations between results and pre-established objective and budgets.

The majority of information systems are created for, and operated by, people in functional areas (e.g., manufacturing, human resources, accounting, finance and marketing).

MIS professionals must possess a combination of business and technical knowledge to develop information systems that address the needs of the organization. They must comprehend organizational structures, objectives, operations including processes and the flows of data between processes and the financial connotations related to these factors. An MIS professional should interrelate effectively with users and design systems that would support their needs. MIS managers and professionals should keep themselves updated with evolving information technologies. They should have a solid foundation of technical skills to select appropriate technologies and to implement computer-based information systems. Thus, MIS people must be well versed in topics such as systems development tools and techniques, information architecture, network configurations, databases, and systems integration.

Administrators, supervisors and managers need information, but they are often overloaded with data. Information management systems sustain these piles of data into comprehensible and concise descriptions and patterns of performance. Information systems are not just technological facilities such as databases. They include methods of pondering about your organization that will aid in approaching issues more effectively and efficiently. Management information systems make use of resources that would assist in understanding and making better decisions about the mechanical and personal sides of information systems. (By: Ismael D. Tabije)

Developing Information Systems:

MIS is not just about implementing a system but it is all about providing the right information to the recipient either it is derived from a system or otherwise."The actions that are taken to create an information system that solves an organizational problem are called system development (Laudon & Laudon, 2010)". These include system analysis, system design, programming, testing, conversion, production and finally maintenance. These actions usually take place in that specified order but some may need to repeat or be accomplished concurrently.

System analysis is accomplished on the problem the company is facing and is trying to solve with the information system. Whoever accomplishes this step will identify the problem areas and outlines a solution through achievable objectives. This analysis will include a feasibility study, which determines the solutions feasibility based on money, time and technology. Essentially the feasibility study determines whether this solution is a good investment. This process also lays out what the information requirement will be for the new system.

System design shows how the system will fulfill the requirements and objectives laid out in the system analysis phase. The designer will address all the managerial, organizational and technological components the system will address and need. It is important to note that user information requirements drive the building effort. The user of the system must be involved in the design process to ensure the system meets the users need and operations. Programming entails taking the design stage and translating that into software code. This is usually out sourced to another company to write the required software or companies buy existing software that meets the system's needs. The key is to make sure the software is user friendly and compatible with current systems.

Testing can take on many different forms but is essential to the successful implementation of the new system. You can conduct unit testing, which tests each program in the system separately or system testing which tests the system as a whole. Either way there should also be acceptance testing, which provides a certification that the system is ready to use. Also,

regardless of the test a comprehensive test plan should be developed that identifies what is to be tested and what the expected outcome should be.

Conversion is the process of changing or converting the old system into the new. This can be done in four ways: Parallel strategy – Both old and new systems are run together until the new one functions correctly (this is the safest approach since you do not lose the old system until the new one is “bug” free).

Direct cutover – The new system replaces the old at an appointed time. Pilot stud, introducing the new system to a small portion of the operation to see how it fares. If good then the new system expands to the rest of the company. Phased approach – New system is introduced in stages. Anyway you implement the conversion you must document the good and bad during the process to identify benchmarks and fix problems. Conversion also includes the training of all personnel that are required to use the system to perform their job. Production is when the new system is officially the system of record for the operation and maintenance is just that. Maintain the system as it performs the function it was intended to meet. (Byhttp://en.wikipedia.org/wiki/Management_information_system 2011)

2.4.2 Review of Thesis

An effort was made to conduct a resembling study of the topic mention and purposed through existing documents and thesis report. Through a synonymous report was not found report with high relevance in the methods to be applied and documentation process were of great help.

Neupane (2002) carried out a study on “MIS-A significant tools for effective management of an organization a case study in NAC”.

Neupane carried out the study with following objectives:

- a) To study the practical and theoretical aspect of MIS.
- b) To examine the practices of MIS in NAC.
- c) To study existing information system /flow of information in different department, especially in personnel & general service department of NAC.
- d) To study the existing decision making process of management
- e) System, management process of NAC.

- f) To find out drawbacks of existing information system and provide recommendation for the betterment if it needed.

Based on the objectives, Neupane found major finding as follows:

- a) NAC should implement MIS.
- b) It is essential to provide training of software package and advance course of computer to all of the staff and executives of this organization to make them competent and able to handle various problems regarding modern IT & MIS.
- c) The manager, CEO, and all decision making level ,personnel must use modern MIS and various software regarding DM & problem solving, for this, they need good knowledge of modern Mgmt., modern network base and information system and advanced computer knowledge to make their decision effective, organizational efficiency and higher productivity.
- d) It should make plan of networking the verity of plate form with infrastructure detail name servers, routers, gateways, TCP/IP and networking strategy like LAN/MAN/WAN etc.

Acharya, (2002) carried out a study on “Implementation of MIS in NAC- A case study in Marketing department”

Acharya carried out the study with the following objectives:

- a) To present and analyze existing information system of marketing department of NAC.
- b) To examine the flow of information to co-ordinate and communicate different divisions and units of marketing department.
- c) To provide recommendation on the basis of major finding that has been drawn out in the research study.

Based on the above objectives, Acharya found major finding as follows:

- a) Should train &develop the capability of human resource to handle sophisticated equipment’s regarding information technology.
- b) Should maintain necessary infrastructure for implementation of MIS in the department.
- c) The management of NAC must be committed to strictly implement policies, rules and regulation of NAC to avoid unnecessary political pressure.

- d) Implement a network based computerized information system.

Lamsal, (2003), carried out a study on Thesis “Information system design- A case study of ADB of Nepal”

Lamsal carried out the study with the following objectives:

- a) The specific objectives of the study will be how the information system will help to know the situation of the bank and how it helps to raise the overall performance of the bank.
- b) To examine practice of maintain information system of ADB.
- c) To find out existing information system/flow of information in different division.
- d) Examine the flow of information to co-ordinate and communicate different division and units.

Based on the above objectives, Lamsal found major finding as follows:

- a) Formulate and publish, IT policy, back up and security policy, and IT contingency plan, computer auditing policy and standards.
- b) MIS divisions should be restructured to have capacity to provide support to branches and other outlets. The divisions should be maintained and staffed to provide installation, training and support service.
- c) Continuity of system MIS division lacks the manpower, skill, knowledge and exposure to develop new software products to meet the standards of accuracy, speed and integrity now required.
- d) Upgrading of MIS system should be in phases as the current immediate required is to install a complete integrated banking system to suit current requirement.

Yadav. (2007), carried out a study on Thesis “MIS’ role in total quality management-A case study of profit BV, the Netherland”

Yadav carried out the study with the following objectives:

- a) Regularizing the process of task distribution and project assignments.
- b) Proper initiation in project management, planning scheduling and tracking the progress in documented form.
- c) Risk mitigation ,monitoring and management

- d) Term end analysis and evaluation of the projects against planned estimated, through report generated through MIS strategies and project review.

Based on the above objective Yadav found major finding as follows:

- a) The existing system also followed centralized architecture.
- b) The existing system had taken a lot longer to develop than anticipated and pressure from the end users caused a string of software development cardinal sins to be committed.
- c) To identify a long term system strategy to the benefits to be reaped from the information.
- d) To provide a cohesive direction for both information system and its user base.

2.4.3 Research Gap

A number of researches have been conducted in the field of Management Information System in different organization in Nepal. This research work is mainly focused to the Management Information system. Primary as well as secondary Data is used in this Study. Opinion Survey method is the main technique of collecting Primary data for this study. This is my original research work which will prove from description & analyzing style of this research work. At least this study will be different from the above in terms of data, description area, data presentation and analysis style, research methodology and interpretation style.

CHAPTER-III RESEARCH METHODOLOGY

A system of Method Used in Research is Methodology. To find out the solution of any problem, we need a system method which can lead best Solution. Research methodology is a way to solve the research problem systematically secondary as well as primary data is used in this study. Opinion survey technique was developed while collecting the primary data to find out the opinion of respondents representing different groups related to Management Information System and problems of IT and MIS. While conducting the opinion survey, 70 questionnaires were distributed to Banker Expert and insurance workers.

3.1 Research design: A research design is the agreement of conditions for collection and analysis of data in a manner that aim to combine relevance to the research purpose with economy in procedures. Thus research is designed in such a way that it would be more convenient for the researcher to collect the actual data information during the course of research study. Since the research study is basically are of two types i.e., descriptive and analytical in nature. Important Elements of Research Design are: Subject for the Investigation, Report Writing Data Analysis, Data Gathering & Methodology. Source: Wolf, H.k. and P.R. op cit.

Population and sample

Population:

The term "population" universe for researcher means all the number of any well-defined class of people event or objects. In this research work in the Nepal life insurance company under the little "A thesis is on management information system of Nepal life insurance company " has been taken as a research population as a whole Nepal Life insurance department and employer's under all department as research population by the researcher in this present research study .

Sample: Population study means study of the large sector but the sample means the selected study of the population in this study, sample means study of the information system of head office of the Nepal life insurance company.

3.3 Respondent list

The respondent has been divided into three groups. The following table shows that the group of respondents and size of samples;

Table no. 3.1

Groups of Respondents and size of samples

S.N.	Types of Respondent	Sample Size
-------------	----------------------------	--------------------

S.N	Group of respondents	Sample size	No of distributed questions	Percentage
1.	Banker	10	18	20%
2.	Experts	20	25	40%
3.	Insurance worker	20	27	40%
	Total	50	70	100%

The respondent is selected from the lists received from various knowledgeable sources using judgment sample techniques. The respondents have been divided into following sub-group to make easy for the selection of the respondents.

Table no. 3.2
List of Respondents

1	Banker: Commercial Bank - 5 Development Bank- 3 Finance Company- 2	10
2	Experts: Lectures- 5 Auditor- 5 Layer- 5 Accountant- 5	20
3	Insurance Worker: Employees of Insurance Company- 10 Insurance Agent - 10	20
	Total	50

Respondent sources:

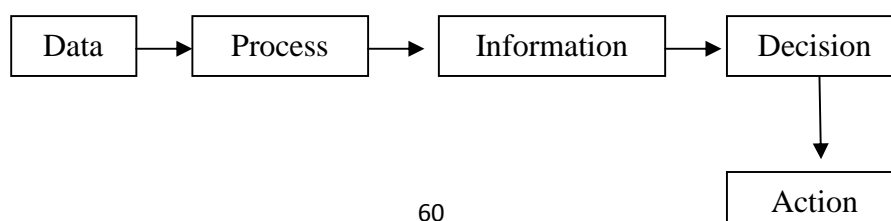
Himalayan Bank, Nepal SBI Bank, Nepal Investment Bank, Kist Bank, & Nepal Bank Ltd as commercial Bank. For Development Bank Garima Bikash Bank, paschimanchal Devlopment Bank & Siddhartha Bikash Bank. For insurance Prime Life Insurance, Nepal Life Insurance, Guras Life Insurance & National Life Insurance & Experts from Tribhuvan Multipal Campus are the Main sources for respondent View.

3.4 Source of information

Information can be defined as the data, which can be organized & presented so that the decision, maker may take the necessary action. In other word information is the result of processing data.

The conversion process of data into decision is shown in the figure below.

Fig. 3.9
Source of information



From the above figure, it is clear that information consists of data that has been retrieved, processed or otherwise used for informative purposes. Information contains an element of surprise, reduces uncertainty & triggers off action. The main sources of information are primary information & secondary information which is listed below.

- a) Primary Information
- b) Secondary Information

3.5 Date & Information Gathering Techniques

Date and information has been classified into two groups

- a) Primary data and information.
- b) Secondary data and information

Primary data and information:

While collecting primary data and information different methods have been used. They are as follows.

- a) Observation method
- b) Questionnaire method

Observation method:

Researcher has spent few more time in the observation of the organization to well understand overall system of different department focusing on the Management information System of Nepal Life Insurance.

Questionnaire method:

During the course of research study, different questionnaire have been designed as per the requirement of research study the list of questionnaire and their types are attached in the APPENDIX. The list of questionnaire has been distributed to the head of personnel department.

Secondary data and information:

Secondary data is classified as the results and data collected by previous investigations / researched is it provides the researcher with a considerable amount of useful information with the reference to the research study the different secondary information has been collected from different sources the different sources are:

Information and reports kept by department division and units:

-) Nepal Life insurance company Physical Year Book.
-) Profiles
-) Nepal Life insurance operating plans, procedures and budgets
-) Business Magazines
-) News latter
-) Nepal Life insurance Magazines
-) Statistical year book of Nepal

3.6 Analysis Tools and Techniques used

With reference to the research methodology different tools and techniques have been used by researcher to present and analyze existing information system.

Use of tools and techniques:

- a) Tables and figures.
- b) System approach method.
- c) General Symbol model and data flow diagram
- d) Flow charts
- e) Entity Relation diagram

Table figure:

A table is a presentation of data in columns raw form typically tables are used to present the data and information to make the content clear where as the term figure usually includes graphs maps drawing and charts .

System approach method:

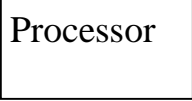
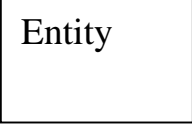

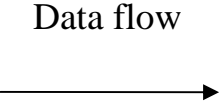
The method includes these steps is preparation phase, Definition phase and solution phase. In the preparation step whole organization i.e. NAC is analyzed in definition step personnel Department is analyzed and taken as

super system of training Division. At last the solution step comes where alternative solution is identified and recommended.

G.S. model and flow Diagram:

G.S. Model gives the brief description about the physical resources and that flow through the physical system of the organization. D.F.D is a diagrammatic representation of the flow of data through a process / system or sub system / sub-process. It shows what happens to the data as it goes through a process like a flow chart a DFD also uses standard symbols and notation the use of specific icons associated with elements depends on a Game / season symbol which are as follows.

3.6.1 General symbol used in Data flow Diagram

	Processor: It indicates a processing function in which data flowing in are changed in form value or location before existing
	Entity: - It indicates the input or output form of system
	Storage: - It indicates data store such as a data base file
	Data flow: - It indicates data flowing through the system.

Flow charts:

A flow chart is a pictorial presentation of a program that graphically shows each step in elaborating a problem. It is a series of boxes interconnected by arrows, each box represents various kinds of operations needed to perform a task related to the problem in order to solve it the arrows show the order in which the operations must be carried out.

Some convention followed while drawing the flowchart is following:

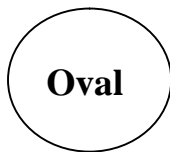
- a) The flow direction should be either top to bottom or from left to right if the flow line does not contain any arrow heads.
- b) If the flow line contains arrow heads then the direction of the flow is indicated by arrow heads.

- c) Each symbol should be interconnected with flow lines.
- d) The decision box is connected with are line but it can sprout more than one line.

Benefits of flowcharts:

- a) Quicker grapes: Procedures may be understood more rapidly through the use to charts.
- b) Effective analysis: - The flow chart becomes a model of a program that can be broken be down into detailed part for study.
- c) Communication: - Flowcharts and in communicating the facts of a problem to solve whose skills are needed in the solution. The old saying that "a picture is wrath a thousand word" contains an element of truth when the pictures happen to be flow chart symbols.

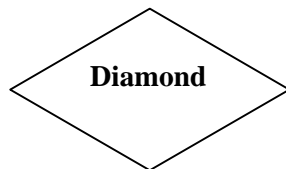
Symbols used in flowchart



Termination: The termination symbol as the name suggests represent the beginning and the end of program.



Processing: The rectangle represents processing operations or action to be under taken



Decision: The diamond shaped symbols have one entrance line and two exists paths these paths may be determined by yes or no answers to some stated condition.

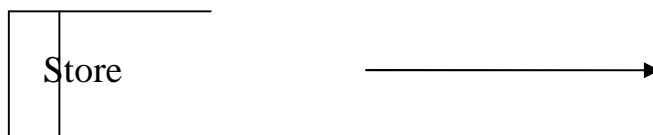
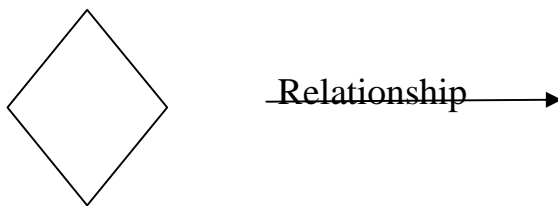
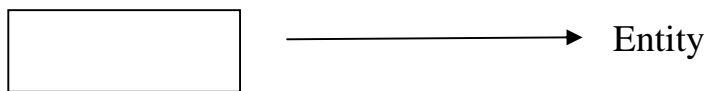


Input / Output: - The input / output symbol is used to show how the data table entered and the expected output.



Place Marks: - This is place maker. If you have to go another line a page with your flowchart this symbol numbered and put at the end of the line or page. It is then used at the beginning of next line or page with the same number so a reader of the chart can follow the path.

Entity Relation Diagram (E.R. diagram)



Features: In E.R. model was three features they are as follows.

Entity: Which specifies distinct real world item in an application?

Relationship: Which annexed entity and represents meaningful dependencies between them?

Attributes: This specifies properties of entities and relationships.

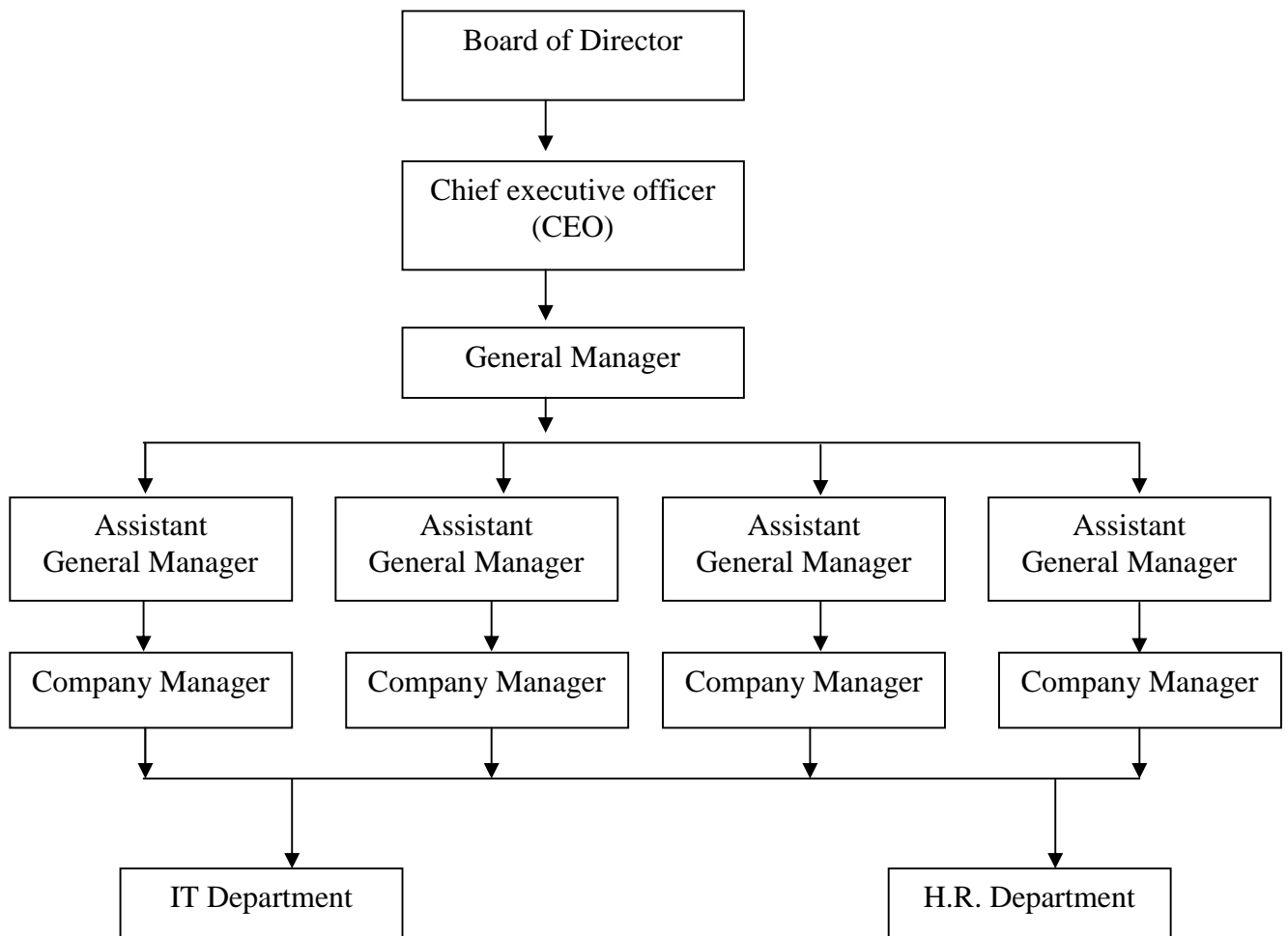
CHAPTER - IV
SYSTEM ANALYSIS, DESIGN & DATA
PRESENTATION

4.1 Organization structure

Every organization is run under one kind of system. System is managed by the organization itself. System is one kind of mechanism which bound the organization under this one important system is organization chart. This classified the chary of work & also known as work division which is also known as organization chart.

Asia Life Insurance Company is also service oriented business. It is also under an organization chart which is prepared below.

Fig. 4.10
Organization Structure



.2 DFD of existing system

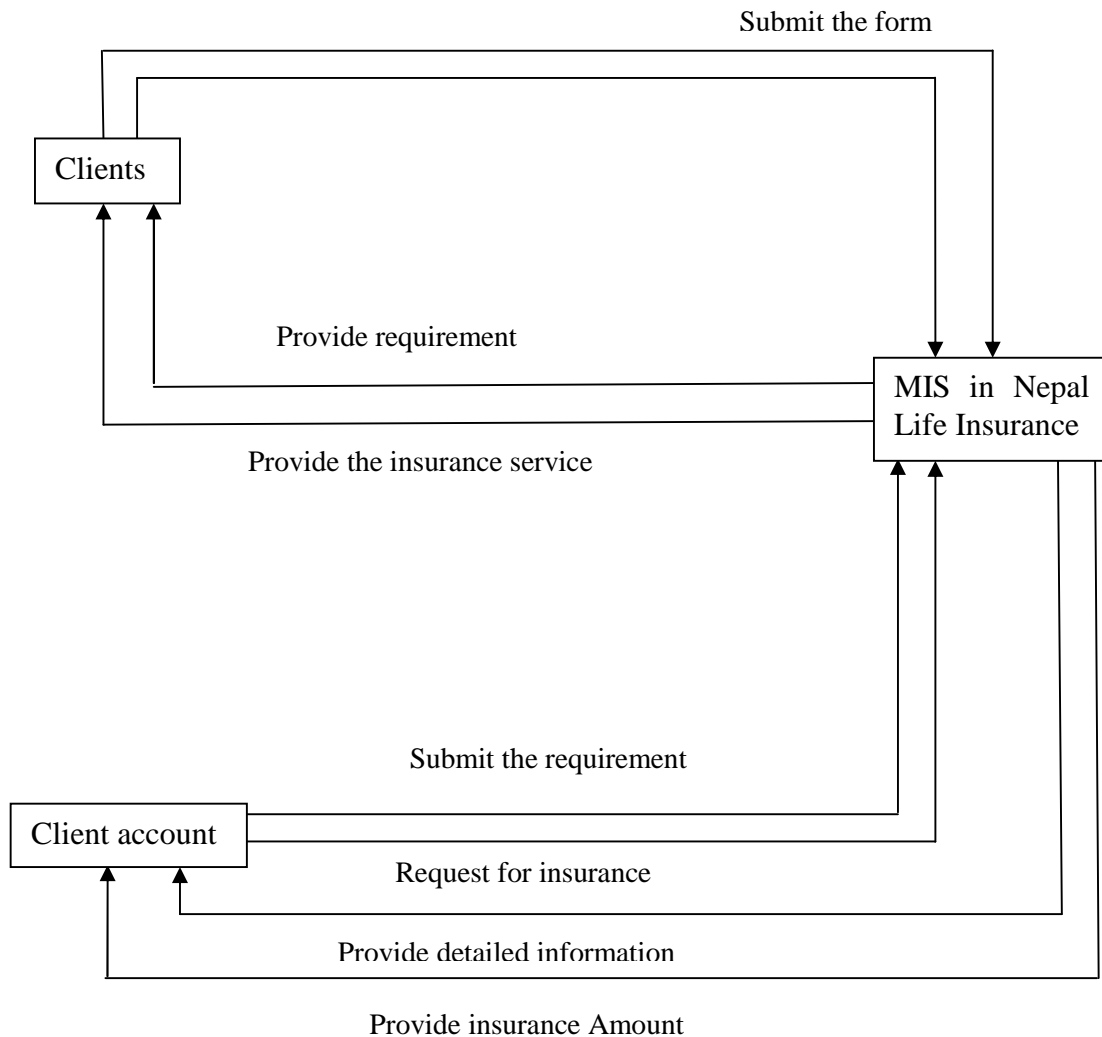
During the system analysis phase we learn how to create a visual model of the information system using a set of data flow diagram. A data flow diagram (DFD) shows, how data moves through an information system but does not show program logic or processing steps DFDs represent a logical model that show what the system does not hoe it does not. That distinction is important because focusing on implementation issues at this point would restrict your search for the most effective system design. The main process of existing data flow Diagram is management information system in IT department here are mainly two entity they are policy client & policy holder account. There is relation between process & entity.

4.2.1 Context level DFD

The first step is constructing a set of DFDs is to draw a context diagram. A context diagram is a top level view of an information system that shows the system's boundaries & scope. The main process of existing data flow diagram is MIS department. Here are mainly two entities they are client policy, issuer & policy holder's A/c (account) there is relation between process & entity.

From this contest level it is clear by the flowing figure for the flow of data and information. The main source for the Nepal Life Insurance Company is clients. The flow of information and data is start for the request for Insurance service to clients and Management of Nepal Life Insurance Company provided the required from to the clients and client fulfill the requirement of the company and submitted the form. After that Management provided all requirements to the account section. When client time duration is over, they request for insurance amount and submit the requirement to the Account Section, after getting detailed information through Management they provide the amount to the client. In this way information and data should be flowed.

Fig. 4.11
Context level DFD



4.2.2 System level DFD

To show the detail inside the blank box, I create DFD diagram O. Diagram o zoom on a context diagram & show major process. For the application of the insurance service, first of all applicant should fill a form & submitted to the related agent,. The database management provides eligibility for this & applicant is granted for the insurance after verifying all necessary documents. Second process for the providing insured amount after certain time period. It should be verify all documents provided by applicant after that they should be withdraw insured amount.

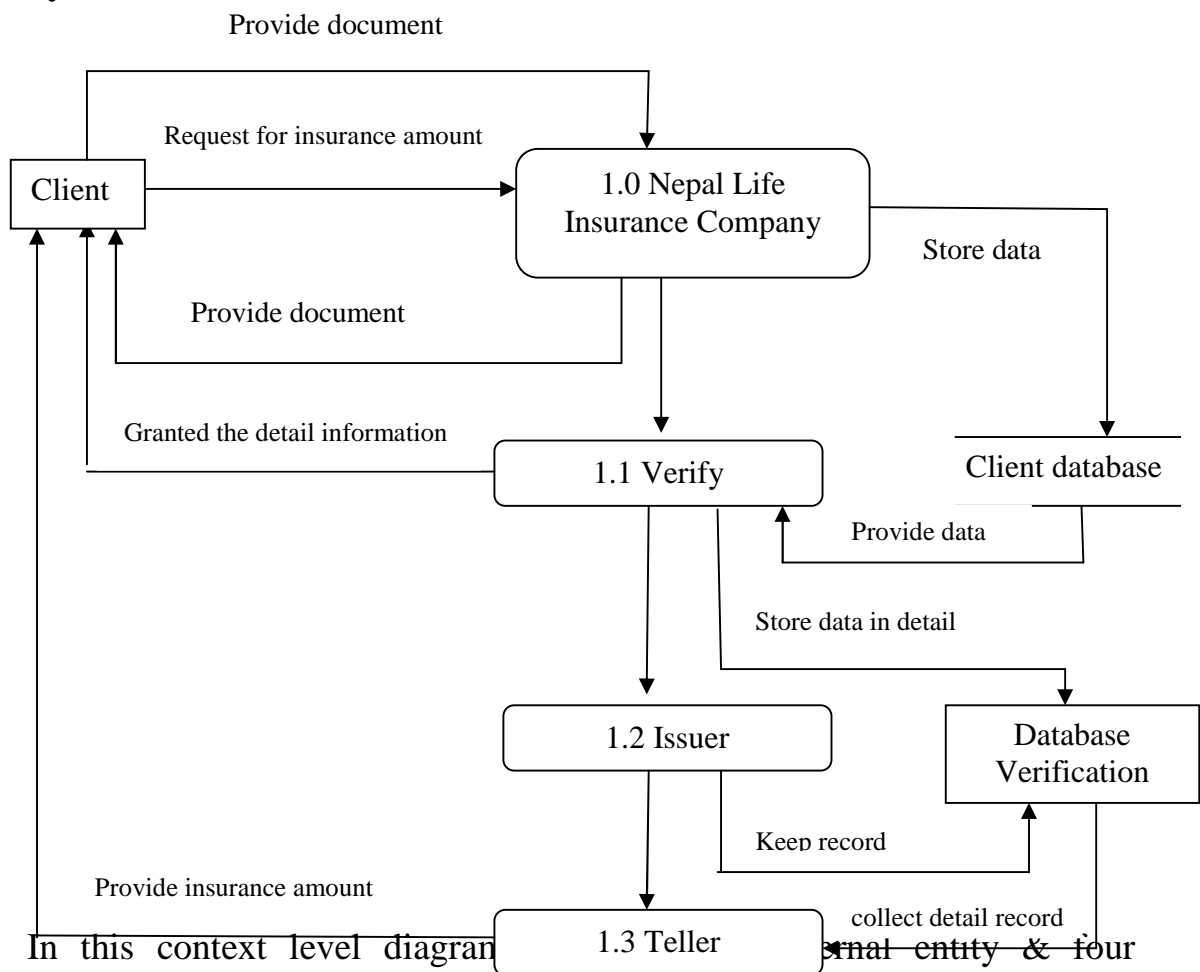
In this system level diagram there are one external entity & four processes. These four processes covering four data base file. These all database file store the detail record & if necessary they collect the require information. The applicant collect the insured amount at last, after certain time period by verify & issuing data base file. These all data base file

correlated data & make east to work. This is the beneficent of the computer in this era. The function of data base file is data flow & data stores. Diagram o also represents the internal entities & data flow that appear in the context diagram. A context diagram provides the most generals view of an information system or contain a single process symbol, which is like a black box.

System level diagram is the second process of the data flow diagram system level diagram is deeply than context level diagram. The MIS department of NepalLife insurance is detailed in system level diagram which is represented below.

Fig. 4.12

System level DFD



In this context level diagram ~~external entity & four~~ processes. These four processes covering four data file. These all data base file store the detail record & necessary they collect the require information. The applicant or client collect insured amount at last through teller after verifying & issuing data base file. These all data file correlated data & make easy to work. This is the beneficial of the computer in the era. The function of database file is data flow & data stores. Diagram o also represents the external entities & data flow that appear in the context

diagram. A context diagram provides the most general view of an information system & contain a single process symbol, which is like a black box.

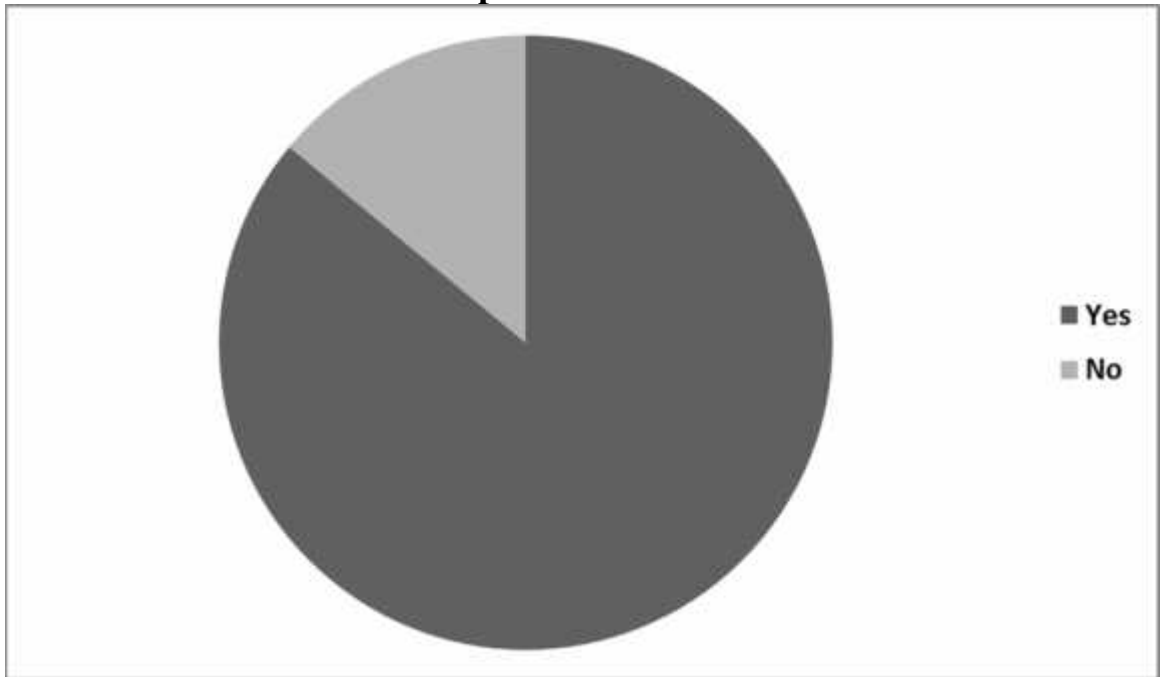
4.3 Analysis of primary data
. Are you familiar about MIS?

Table no. 4.3
 Respondent View

S.N.	Respondent Group	Yes	No	Total Percentage
1	Banker	8	2	20%
2	Experts	20	-	40%
3	Insurance Workers	15	5	40%
Total Groups		43	7	100%

The above table shows that the familiarity of respondent towards MIS. It shows high number of respondent have knowledge of MIS. Out of 50 Workers, 43 respondents are familiar with MIS. For providing more information regarding these outcomes following pie-chart can be used.

Fig. 4.13
Respondent View



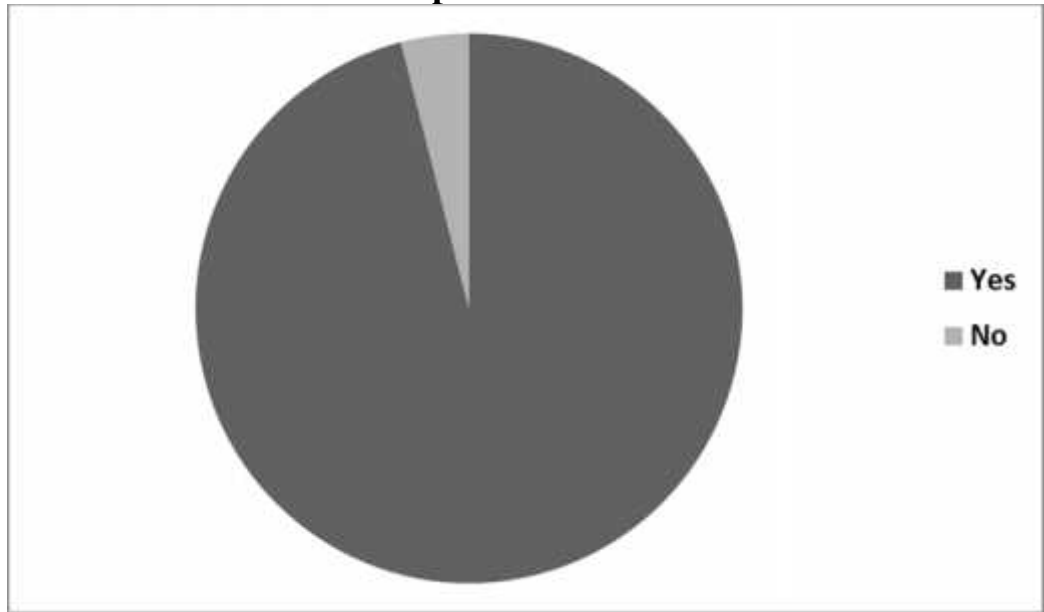
) Popularity of Nepal life insurance company from respondents views:

Table no. 4.4
From the respondent View

S.N.	Respondent Group	Yes	No	Total Percentage
1	Bankers	10	-	20%
2	Experts	16	4	40%
3	Insurance Workers	18	2	40%
Total		44	6	100%

Questions had been said to respondents towards how the Nepal life insurance company is familiar to respondent. The answer comes Nepal life insurance company is very popular insurance company currently operating in Nepal, Out of 50,44 of respondent gives their answer yes & only (very little)respondents gives their answer No. This means Nepal life insurance is very popular in Nepal. For providing more information regarding these outcomes following pie-chart can be used.

**Fig. 4.14
Respondent View**



) Is MIS is the basic need of every organization?

**Table no. 4.5
From the respondent View**

S.N.	Option	Response	Percentage
1	Strongly Agree	30	60%
2	Average	20	40%
3	Disagree	-	-
4.	Neither agree Nor disagree	-	-
Total		50	100%

The opinion survey shows that the MIS is very important and necessary factor for every types of organization for their better performance, because out of 50 respondents 30 gives answer strongly agree and 20 gives answer average.

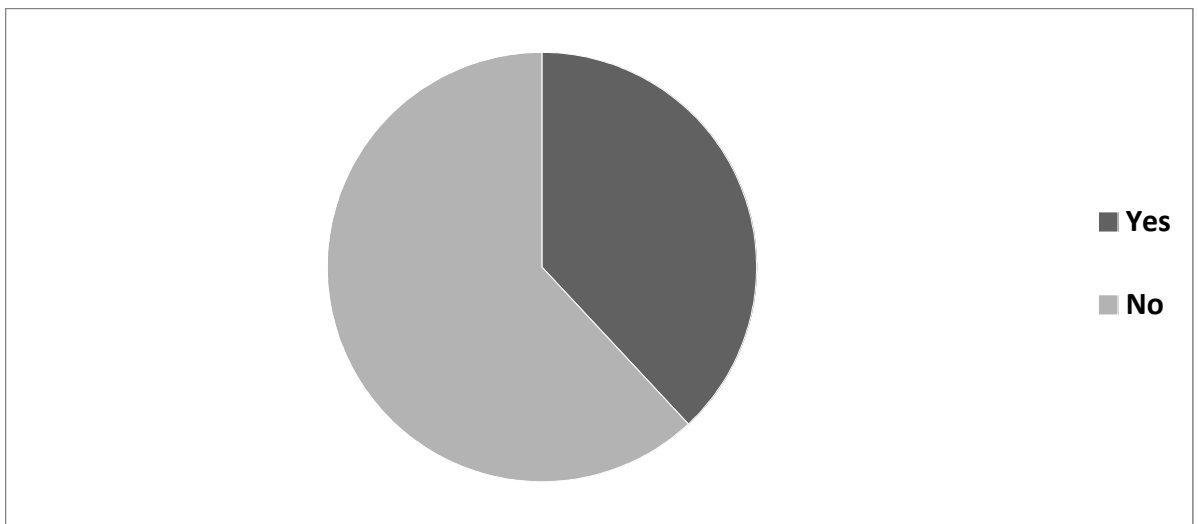
) Is MIS of Nepal Life Insurance Company efficient?

Table no. 4.6
From the respondent View

S.N.	Respondent Group	Yes	No	Total Percentage
1	Banker	3	7	20%
2	Experts	9	11	40%
3	Insurance Workers	8	12	40%
Total		20	30	100%

In the above research work, out of 50, 30 respondent group's opinion is negative ie the efficient of MIS in Nepal life insurance company is low. It is clear by using pie-chart, the efficient of MIS in Nepal Life Insurance Company.

Fig. 4.15
Respondent View



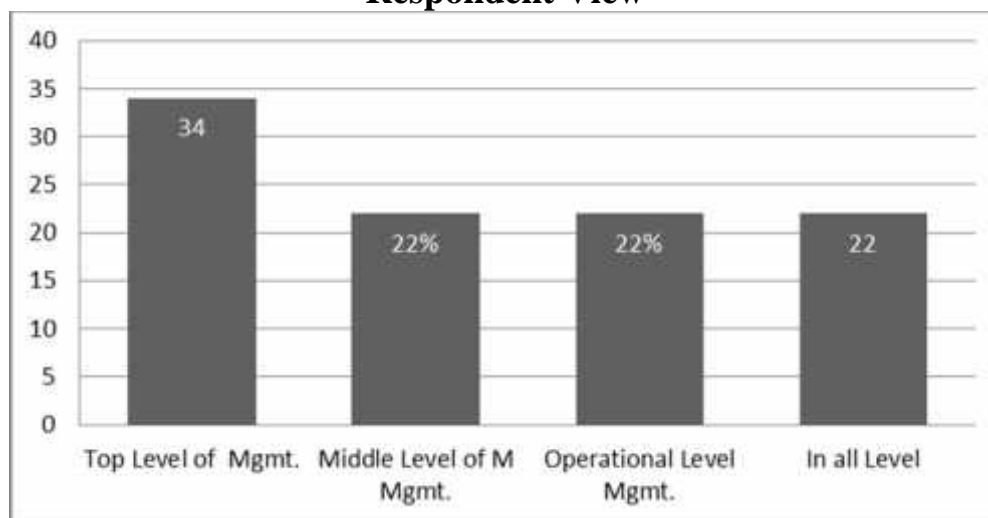
) In which level of management do you think MIS needs more support in Nepal Life Insurance Company?

Table no. 4.7
From the respondent View

Option	Response			Total	Percentage
	Banker	Experts	Insurance Workers		
Top Level of Mgmt.	4	7	6	17	34%
Middle Level of Mgmt.	2	6	3	11	22%
Operational Level Mgmt.	1	2	8	11	22%
In all Level	3	5	3	11	22%
Total	10	20	20	50	100%

In this research work, out of 50 respondents, 17 respondents said that MIS is useful for top level management and remaining 33 respondent gives their answer that MIS is equally useful in middle level, operational level and in all levels of management, Providing more information regarding views of respondent following Die-Gram can be presented.

Fig. 4.16
Respondent View



) What are the major problems of MIS &IT sector in Nepal Life Insurance Company?

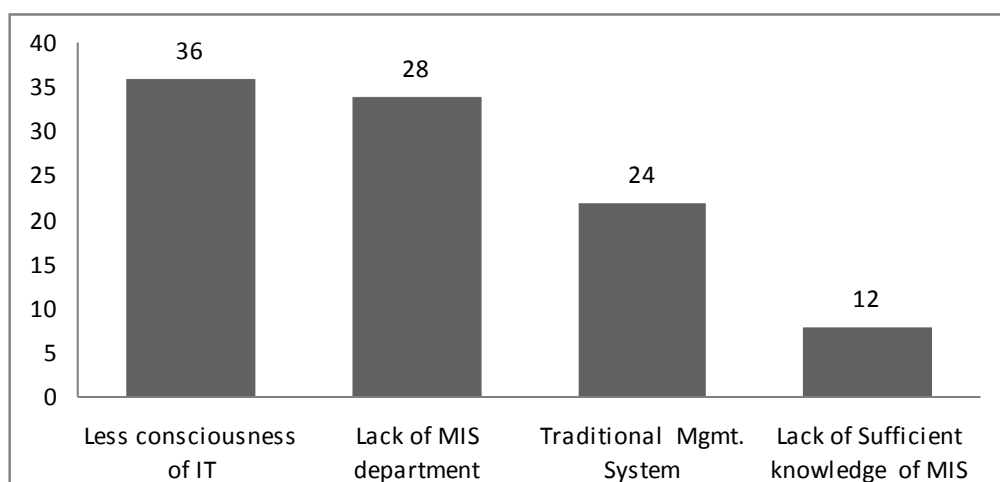
Table no. 4.8
From the respondent View

Option	Response			Total	Percentage
	Banker	Experts	Insurance Workers		
Less consciousness of IT	1	6	11	18	36%
Lack of MIS department	2	1	11	14	28%
Traditional Mgmt. System	3	2	7	12	24%
Lack of Sufficient knowledge of MIS & IT	4	1	1	6	12%
Total	10	10	30	50	100%

From the above table shows that the respondent gives their answer average in two alternatives answer. It shows less consciousness to MIS & IT sector is major problem of Nepal Life Insurance Company and lack of sufficient knowledge of MIS& IT sector is drawn as a least problem .For problem of NLIC, following Die-Gram is prepare.

Fig. 4.17

Respondent View



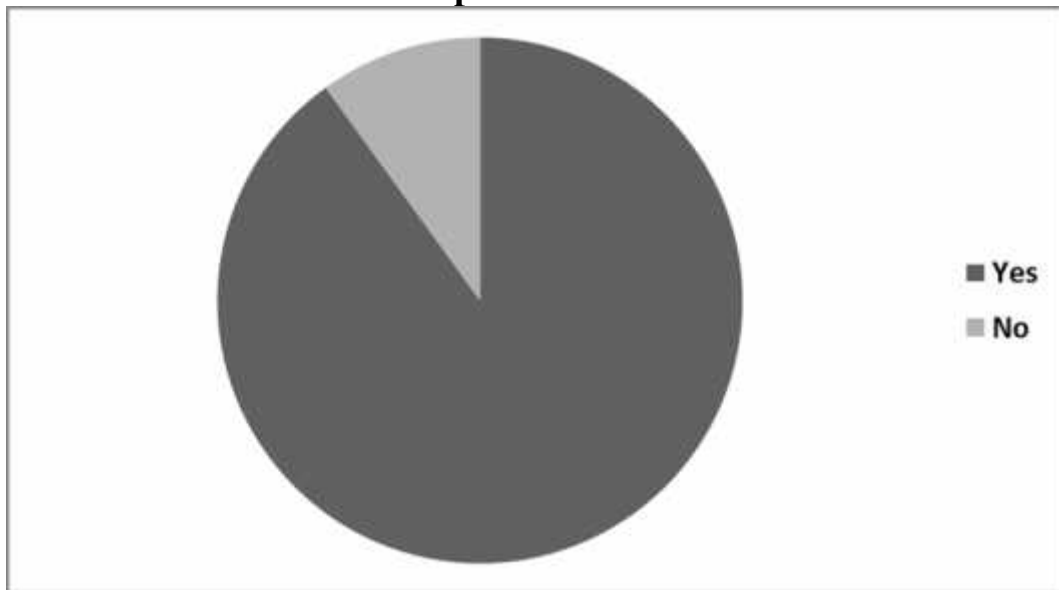
Is MIS plays the vital role for better performance of NLIC among other insurance company?

Table no. 4.9
From the respondent View

S.N.	Respondent Group	Yes	No	Total
1	Banker	9	1	10
2	Experts	17	3	20
3	Insurance Workers	18	2	20
Total		45	5	50

From this above tabular analysis, it can be said that MIS is very important instrument for better performance for every types of institution like NLIC. Following pie-chart for a purposed of depth analysis and simply knowing to be presented.

Fig. 4.18
Respondent View



4.4 Analysis of existing Technology

Technological innovation can take several forms However; Nepal Life Insurance Company is using different technologies, which help to get the advantages in a particular way.

Supplier Technology:

This technology gives knowledge on how these new technologies might transform business processes in their part of the value chain. This remains the current challenge for organizations in many different sectors in exploiting computer hardware & software development. Supply is focus on policy with draw department.

Scale Technology:

Advantages are gained from economies for scale & learning results from that scale. This Nepal Life Insurance company sells the service. The policy making is one of the most important in insurance. Company which is measurable in terms of feasibility if the candidate is eligible for it.

Information technology:

Such as in life insurance company, retailing or transporters where the exploitation of IT is the central strategic issue.

Science Based Technology:

It is still important in many sectors such as pharmaceutical electronics, materials & engineering. The strategic challenges are to monitor academic research, develop important & acquire the resources to achieve commercial scale production.

Service Technology:

This type of technology is rigid in nature providing standardized service to customer. The main focus of this technology is development & scheduling of human resources for provident service to customer.

Computer Technology:

Computer technology is used to conduct a meeting between participants at two or more geographically separate location.

In Nepal Life Insurance Company, Computer technology is most important technology, which is used in this organization. Computer technologies are:

- a) Personal computers
- b) Software
- c) Communication networks greatly effective for the organization.

4.5 Analysis of Existing Communication & Networking System

Nepal Life Insurance Company is used some modern communication and Networking system for effective management information system. Instead of traditional paper base Information System.

4.5.1 Communication System

When referring to computers, communication describes a process in which are computer transfers data, instructions and information to another computers. Communication requires a device that initiates the transfer a communication device that concert the sent material into signals cables and being carried by a communications channel. A communication channel over which the signals are sent a communications device that receives the signals and converts them into a form understood by the receiving device and a device that accepts the sent material.

In the Nepal Life Insurance Company, different communication system is used by management. E-mail is used to the exchange of text message and computer files via a communications network. Voice mail functions much like an answering machine but coverts an analog voice massage into digital form. A fax machine sends and receives documents via telephone lines. Telecommuting allows employees to work away from the standard workplace and communicate using some communication technology.

Computer technology is used to conduct a meeting between participants at two or more geographically separate locations. Groupware is a software application that helps people work together and share information that helps people work together & share information over a network a global posting system consists of earth based receivers that analyze satellite signals to determine the receiver's geographic location. The internet a worldwide collection of networks. Offers the worldwide web and such popular web-based activities.

In Nepal Life Insurance Company, different communication technology i.e.-mail, voice-mail, fax, internets are used. All of these technology are important but inter connect all computer are most important in this company. Interconnection of computer is effective in Management Information system.

4.5.2 Networking system

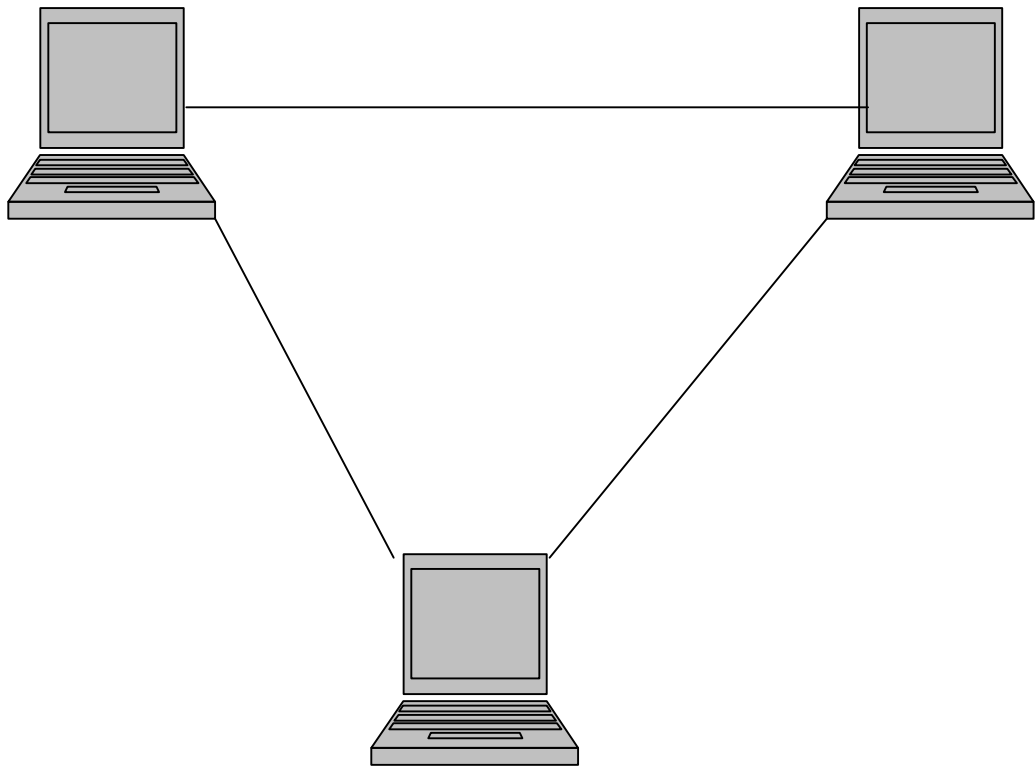
A network is an interconnection of various systems located at different places. The management information system of Nepal Life Insurance Company is effective by using computer Network. In computer network two or more computer are Linked together with a medium and data communication devices for the purpose of communicating data and sharing resources. The computer that provides resources to other computer on a network is known as server. In network the individual computer, which access shared network resources, are known as workstations or notes.

The most elementary of all networks consists of two computers, each connected to the other using some kind of wire or cable to permit information exchange. We can classify the computer network by following way using in Nepal Life Insurance Company.

a) Peer-to-Peer Network:

On the basis of Architecture peer-to-peer network is used in Nepal Life Insurance Company. Computers of a peer-to-peer network can take both a client and a server role. There is no centralized control over shared resources, such as files or printer. Any individual machine can share its resources with any other computer on the same network, however and whenever its uses choose to do so. The peer-to-peer relationship also means that all computers have equal access and responsibility in the network.

Fig. 4.19
Peer-to-Peer Network

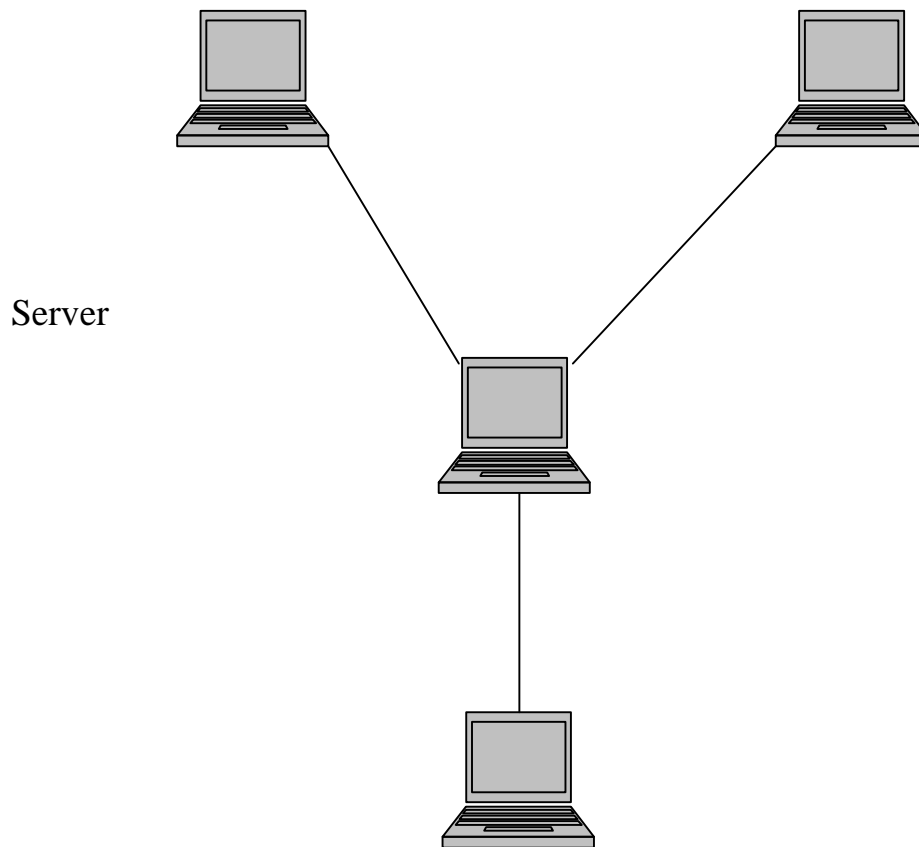


peer-to-peer network in Nepal Life Insurance Company is used to their internal communication. Different branches are used that type of network for their internal work.

b) Client Server-based Network:

Server-based network provide centralized control over network resources, primarily by instituting network security and control through the server's own configuration and setup. The computer used for servers usually in corporate faster CPUs more memory, Larges disk drivers and extra peripherals when computer to end user machine. In most cases, servers are dedicated to handle network requests from their clients. This type of network should be used the main branches of Nepal Life Insurance Company.

Fig 4.20
Server-based Network



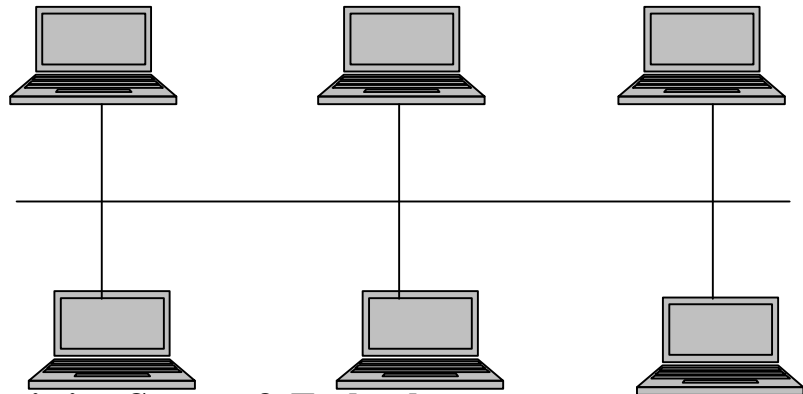
c) Local Area Network (LAN)

On the basis of Geographical location of computer, a local area network is usually privately owned and links the devices in a single office or building of up to a few kilometers in size. Depending on the needs of an organization and the type of technology used a LAN can be as simple as two PCs and printer in someone's whole office or it can extend throughout a company and include voice, sound and Video peripherals.

LANs are designed to allow resources to be shared between personal computer or workstations. The resources to be shared by LAN network in Nepal Life Insurance Company used in different collection center.

Fig. 4.21
Local Area Network

Back bone



4.5.3 Limitation of existing System & Technology

Some limitations are mentioned as point based below.

- a) This technology cannot reduce costs expenses.
- b) This technology cannot match the equilibrium point with customers
- c) This technology cannot predict the actual shrinkage, leakage & lost quantity

4.5 concept of new system or modify the system

In this new system clients can deposit. Their more form anywhere the MIS collects the data from different branches. In this new system there is no additional external entity & more effort to collect loan. There is no qui system. This system protects the time factor & provides the board facilities of wide technology.

4.6 Comparison between traditional information system & new net Work based information system

Table No.4.10

Comparison between traditional information system & new net

Work based information system

S.N.	Traditional information system	Modern network information system
1.	Paper based information system.	Computer networking based information System
2.	Human brain is used for processing of information & data.	Different computers software & models are used to process data & information.
3.	Cost effective	Higher cost to maintain this information system
4.	No need of technical experts, software engineers, programmer etc.	It requires software engineers, system analysis & IT experts.
5.	Locate problem to decision makes & the workers of the organization.	Create greater efficiency to the decision maker & the workers of the organization.
6.	Very slow flow of information	
7.	Create difficulties in coordination & management process.	Higher speed of flow of information Help in effective Management.
8.	It centralized authority & decision making.	It decentralized authority & decision making.
9.	There is chance of being mishandling, misunderstanding and misdirection of information	It provides two ways communication, so there is no chance of being mishandle, misunderstanding and misdirection of information
10.	It takes time for human processing of data and information. These are chance of making mistake & error in data & information.	Allows faster & automatic calculation & analysis of data and information. More accurate & reliable data & information at any levels of decision making where it requires.

4.7 Major findings

A research work has been conducted in order to find out the role of MIS & its collection effectiveness in Nepal Life Insurance Company. From this research, the following finding has been drawn.

4.7.1 Major finding from primary data

There are so many finding received from primary data analysis. As per the views receive from respondents and then analyzing this data, following major finding has made:

- a) MIS is very popular subject matter but not used highly.

- b) MIS is basic need of every organization.
- c) MIS system in Nepal life insurance is not efficient.
- d) MIS is most important for top level of management.
- e) Less consciousness to MIS & IT sector is major problem in NEPAL like NLIC.
- f) MIS plays vital role for better performance of NLIC among than other insurance company.

4.7.2 Another Major finding

It is essential to implement network based information system to eliminate drawbacks generated by traditional information system and traditional way of centralizing the information and authority.

- a) Management of this organization has not put enough efforts towards implementation of network based information system & various modern software to update management information system. It is due to requirement of high cost and technical manpower. There are lack of skilled IT exports and software engineers.
- b) It is difficult to maintain computerized information system within the organization and department due to lack of IT experts.
- c) There are a lack of effective use of microcomputer in each & every organization functions and department. It is only use for the purpose of word processing, accounting and statistical analysis.
- d) Network based computerized information system is the first requirement for this organization to maintain modern information system instead of traditional paper based information system.

CHAPTER-V

SUMMARY, CONCLUSION & RECOMMENDATION

5.1 Summary

The Successful future of any business operation depend upon the good Management Information system, MIS has been emerged in a new concept in the field of management to solve the problems generated by complex organizational structure & increase complexities of technological revolution.

Since the research study conducted in Nepal Life Insurance Company is one of the growing largest organization of Nepal where implementation of MIS is necessary due to the nature of the organizations complexities.

The research studies conducted with reference to management information system to identify what are the problems generally faced by the Management Information System. Here, the research study has been focused on Management Information System this system is considered as one of the sensitive system to conduct information as require by various department.

While summarizing, the research study has been concentrated toward the MIS of Nepal Life insurance.

In the study, the researcher had presented a brief introduction of an organization & focus has been made MIS to find out problem faced in existing information system. The statements of problems were:

- a) How information does flow systematically within the Management to communicate & co-ordinate different & division due to lack of network based computer information system?
- b) Whether traditional paper based information system & centralization of authority creates the problem in decision making to carry out Management activities smoothly?
- c) Whether mishandling, misunderstanding, & misdirection of information that generally creates irregular Management Information System schedules that impacts on the goodwill & reputation of an organization.

Where the objectives of the research study has been set as follows:

- a) To examine existing management information system and information flow procedure of Nepal Life Insurance Company.
- b) To evaluate the technology used by management in Nepal Life Insurance Company.
- c) To find out the new system design suitable to the management of Nepal Life Insurance Company for applying new system design.

Since, in order to fulfill the stated objectives different research activities that has been taken into consideration to understand the existing information system in the concerned department. The existing information system has been presented & analysis through different tools & techniques generally used in MIS. After the presentation & analysis of existing information system, major finding has been drawn out in the research study; lastly, recommendation has been made on the basic of major findings.

5.2 Conclusion

MIS in today's world is a computerized business processing system generating information for the people in the organization to meet the information needs for decision making to achieve the corporate objective of the organization. MIS satisfies the information needs of the people in the particular organizational pyramid, an organization needs different types of organizational information such as action & non- action information, recurring & non-recurring information internal & external information planning information, control information, knowledge information, operation information etc.

Nepal Life Insurance modernize & improve its organizational setup for greater efficiency, productivity & in up grading the standard of service in in keeping up with the changing situation.

Nepal Life Insurance plays a vital role in the development & uplifting of economic condition & trade of the country. Nepal Life Insurance has helped to increase the national revenue provide employment opportunities and economical insurance service within the country so far, it has faced various problems & challenge now a day, it needs to made competent enough to face & overcome the problems & challenges in present competition environment.

5.3 Recommendation

Some suggestion has been recommended for the Nepal Life Insurance based on this research work finding done earlier in this study. Major recommendation is to implement network based computerized

information system to maintain MIS in this organization and make the general public aware about Insurance important in their life and Law related to insurance. According to the research work following some model of client server & network based information system are recommended to maintain modern information system in Nepal Life Insurance Company, which is as follows. Recommended network based computerized information system can help to decentralize information & authority, it will help to update information, make easy to take right decision in right time, co-ordinate all levels of managements & departments due to systematic flow of information within the organization & department it drastically reduces the mishandling misunderstanding & gap of information. Some advantages of recommended information system are as follows:

- a) Make easy access to each department levels & environmental information to take right decision for management and all decision levels.
- b) Easy to monitor each division & units of the all department of organization.
- c) More advance & easy system to update information then traditional paper based way of keeping records.
- d) Reduce management complexities & make decision making easy & reliable.
- e) Help to make staff and Agent dedicated, responsible & competent in their work.
- f) Decentralize information & authority for solving problems.
- g) Allows faster analysis facilities of data & information to prepare report documents & make needed decision.
- h) Help in solving different problems generated at each levels of management.

Recommendations specific to Nepal Life Insurance Company is as following:

- a) There is no doubt that use of computerized information system(MIS) in organization can help to boost the efficiency & productivity of the organization. MIS & computer networking is an essential tool for effective management & handle day to day decision making function of all level of management of an organization so, MIS is recommended to implement in this organization.
- b) It is essential to provide training to Agent & staff about Insurance act. Software package & advance course of computer to all of the staff & executives of this organization to make them complement & able to modern information technology & modern information system (MIS).
- c) The manager, chief executive officer and all decision making levels personnel must use modern information system (MIS) & various software regarding decision making & problem solving for this, they need good knowledge of modern management, modern network base information system & advance computer knowledge to make their decision effective organizational efficiency & higher productivity.
- d) In each modern organization it needs to provide enough training & development opportunities regarding modern IT related field i.e. hardware, software, networking & modern management skills to all levels of employees. It leads an organization always towards success and effectiveness.
- e) It should take action towards development of needed information for implementation of MIS in the organization.
- f) It should make plan of networking the variety of platforms with infrastructure detail namely server, router, gateways, TPC/ IT, NOS & networking strategy LAN/MAN/WAN, internet, intranet are essential.
- g) Because of being one of the leading organizations of Nepal, Nepal Life Insurance Company needs implementation of MIS to reduce organization & management complexities & ensure effective management. If it is done, MIS can play a vital role to upgrade & make successful organization.

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APPENDIX

Questionnaires for opinion survey

“Effectiveness of management information system in Nepal Life Insurance Company”

Name:

Address:

.....

Occupation:

Organization:

.....

Please Tick () the answer of your choice or where every appropriate put in order of preference from one to last number of alternatives. Number one is most important and last number for least.

1. Are you familiar about MIS?

a)Yes ()

b)No ()

2. Do you know about Nepal Life Insurance Company?

a)Yes ()

b) No ()

3. Is MIS is the basic need of every organization?

a)Yes ()

b) No ()

4. Is MIS of Nepal Life Insurance Company efficient?

a)Yes ()

b) No ()

5. In which level of management do you think MIS need more support in Nepal Life Insurance Company?

a) Top level of management ()

b) Middle level of management ()

c) Operational level of management ()

d) In all level ()

6. What is the Major problem of MIS & IT sector in Nepal Life Insurance?

a) Less consciousness of IT sector ()

b) Lack of MIS department ()

c) Traditional management system ()

d) Lack of sufficient knowledge of staff about IT ()

7. Is MIS Plays the vital role for better performance of NLIC among other insurance company?

a)Yes ()

b)No ()

8. Do you think that without MIS any company can run smoothly?

a)Yes ()

b)No ()

9. Do you Think that with MIS company can get great success?

a)Yes ()

b)No ()

10. Do you Think MIS play a vital role in any company ?

a)Yes ()

b)No ()