INTRODUCTION

1.1 Introduction of Management Information System:

This is age of information system and information technology. Information is needed everywhere either it is industry, commerce, defense, banking, education, economics or philosophy .Development of information system and informant in technology made a world as a global village. Today the need for updated information has become inevitable to arrive at and effective decision making. On decision making process, information play vital role without information the transaction of the world can not work. Information being vital corporate resource, is needed to be managed just as any other organization resources like money, man, materials or markets. Accurate, relevantly and timely information is needed for the organization all decision making as planning, organizing, leading and controlling for each level of management. Management decision are making under certainty, risk and uncertainty. With helps of information we convert uncertainty in to risk and risk in to certainty. This is possible when perfect information is available. Therefore, the information has a perceived value in terms of decision making.

The concept of Management Information System (MIS) has evolved over a period of time comprising many different facts of the organization functional functions. The initial concept of MIS was to processed data from the organization interval. The system was largely capable to handling the date from collection to processing. It was more impersonal requiring each individual to pick and chose the processed data and uses it for his requirement. This concept was further modified when a distinction was made between information and data. The information is a product and no a mass of data. This concept is similar to raw needed in information

and not a mass of data. However the data can be analysis in number of ways producing different shapes and specification for the information as a product. The initial concept of MIS was to process the data from the organization and present it in the form of report at regular intervals. The system was large capable of handling the data from collection to processing.

Information is data that has been processed in to a form that is meaningful to the recipient and is of real perceives value in current or prospective decision. Information highlights on processed data and in the context in which it is used by managers and other end users. MIS in today's world can be understood as "a system which handles the data – base, provides computing facilities to the end-user and gives a variety of decision-making tools to the user of the system." The foundations of MIS are the principles of management and its practice. MIS gives information through data analysis. While analyzing the data, it takes help of various academic disciplines such as Management Science, Management Accounting, Operations Research, Organizational Behavior, Engineering, Computer Science, Psychology and Human Behavior. These academic disciplines are used in designing MIS, involving the decision support tools and decision-making process.
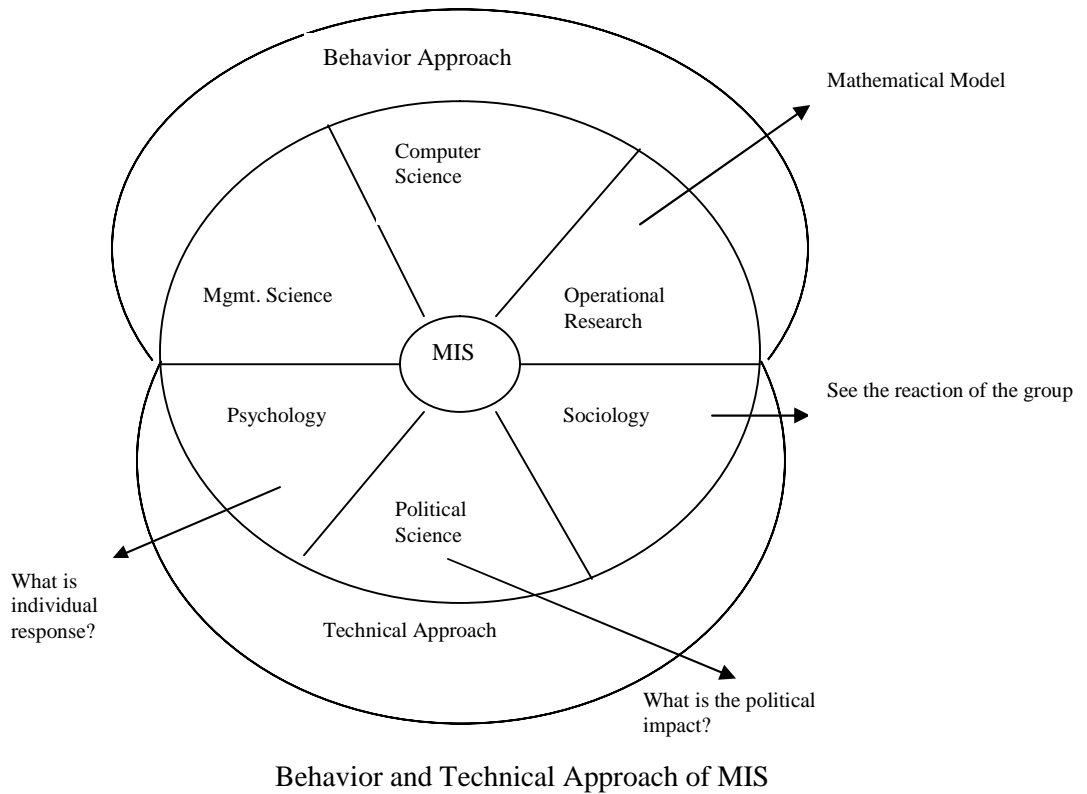
Behavior Approach

Mathematical Model

Computer
Science

Mgmt. Science

Operational
Research

MIS

See the reaction of the group

Psychology

Sociology

What is
individual
response?

Political
Science

Technical Approach

What is the political
impact?

Behavior and Technical Approach of MIS

Figure: 1.01

The management information system is an integrated man machine system that provides information to support planning and control functions of manger in an organization. To fulfill the organizational objectives, MIS collects, maintains to meet the specific requirement of various levels of management in order to take decisions and actions.

The concept of MIS gives high regard to the individual and his ability to use the information .The strength of MIS lies in its ability to gives information though data analysis .MIS use the concept of management control in its design and relies heavily on the face that the decision maker or the manager is a human being and is a Human processor of information, MIS therefore relies heavily on the system theory. The system theory offers solution to handle the complex situation of the input and outputs flows .It uses theory of communication which helps in designing and

creating a system capable of handling data inputs, processing them and giving outputs. There could be possible noises or distortions involved in transmitting the information form a sources to a destination .It use the principle of system design viz. an open system and closed system.

An MIS is not a new; only its computerization is new, before computer, MIS concept existed to supply manager with the information that would permit them to make decision. The computer has added one or more dimensions, such as speed accuracy and increased volume of data that permit the consideration of more alternative in a decision. MIS can also be defined as the combination of human and computer banes resources that results in the collection, storage, retrieval, communication and use of data for efficient management operation and for business planning and in is defined as computer bases information system. MIS is information system which is used to provide accurate timely and relevant information needed for different decision making by the manager in an organization. It is able to handling voluminous dada, confirmation of the validity of data and transaction, quick search and retrieval, mass storage communication user on time for fulfillment of required information for decision making in an organization.
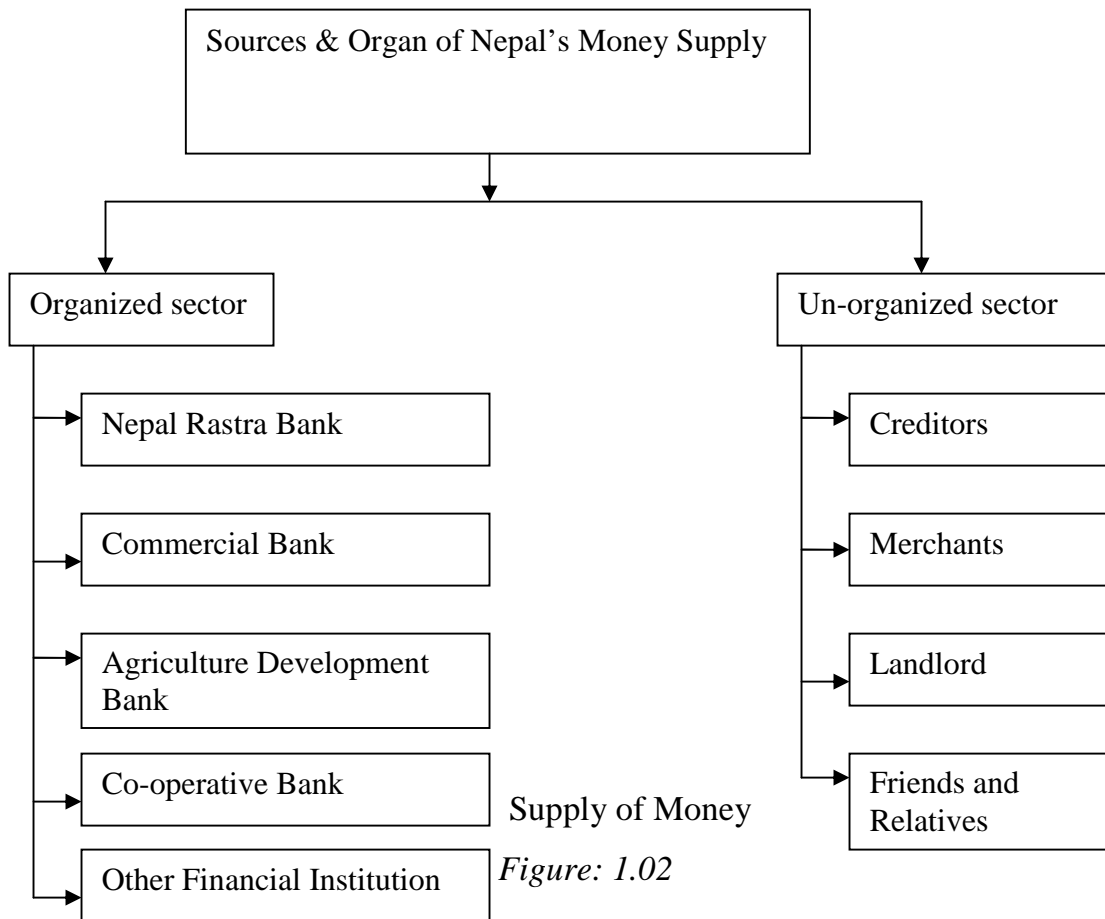
Today the information is the sixth resource of an organization other five being men, machine material, money and methods. So that, a manager without having information is compared with engine without fuel and body without heart. The information is a blood and MIS is a heart. In a body the heart play role of supplying pure blood to all the element of body including brain. The heart works faster and supplies more blood when needed. It regulates and control the incoming input blood process it and sent it to the destination in the quantity needed. It fulfill the needed of blood supply to human body in normal course and also in crisis. The MIS play exactly the same role in an organization which is most important for the managers to correct decision making at right time and right place.

" Management information system is a system to support the decision making function in the organization , it is 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. (Jawadekar 2002: 6)

" Management information system define as a integrated system of the man and machine for providing the information to support the operation, the management and the decision making function in the organization." (Jawadekar 2002: 6)

1.2   Background Of Banking Industry:

A well-developed banking system is a necessary pre-condition for economic development in a modern economy. Banking industries have placed themselves at high point for mobilizing countries financial resources and for socio-economic development. Banking is the nerves of the economic development, which can't be ignored. It maintains economic stability and provides the country with a monetary system of making/receiving payments. The development of any country largely depends upon the availability of resources (Human, Information, Finance, etc.). Mostly the developing country depends on the important resources i.e. Finance. The active resource i.e. human is not able to perform their work in the absence of sufficient and complete resources. The finance play crucial role to develop the economy environment of the country. The finance requirement of these countries can be satisfied only if there is organized bank or banking system. Besides providing financial resources for the growth of industrialization, banks can also influence the direction in which these resources are to be utilized. A bank is an institution, which deals with money and credit. It accepts deposits from the public, makes the funds available to those who need them, and helps in the remittance of money from one place to another.

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                  ┌─────────────────────────────────────┐
                  │  Sources & Organ of Nepal's Money     │
                  │  Supply                                │
                  └─────────────────────────────────────┘
                                    │
              ┌─────────────────────┴─────────────────────┐
              ▼                                             ▼
      ┌──────────────────┐                      ┌──────────────────────┐
      │ Organized sector │                      │  Un-organized sector │
      └──────────────────┘                      └──────────────────────┘
              │                                             │
              ├──► Nepal Rastra Bank                        ├──► Creditors
              │                                             │
              ├──► Commercial Bank                          ├──► Merchants
              │                                             │
              ├──► Agriculture Development Bank             ├──► Landlord
              │                                             │
              ├──► Co-operative Bank                        └──► Friends and
              │                                                   Relatives
              └──► Other Financial Institution
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Supply of Money

Figure: 1.02

Bank is an institution that collects deposits, provide loans, settle dept, issue credit and handle various kind of transaction in money and monetary instruments. Bank assists in the process from the production level to the consumer level services and also in development infrastructure as well as other financial activities of the government owned corporations. A bank is an instauration, which deals with money by accepting various types of deposit, disabusing loan and rendering other financial services.

The word 'bank' is derived from the Italian word 'banco' meaning the portable benches or counters over which the money changer comes from. A bank is an institution, which deals with money and credit. It accepts deposits from the

public, makes the funds available to those who need them, and helps in the remittance of money from one place to another.

According to Crowther, a bank "collect money from those who have it to spare or who are saving it out of their incomes, and it lends this money to those who requires it". In general, a bank is an institution with the following features:

- ⟩ It deals with money; it accepts deposits and advances loan.
- ⟩ It also deals with credit; it has the ability to create credit.
- ⟩ It is a commercial institution; it aims at earning profits.

The origin of commercial banking can be traceable in the early times of human history. In the ancient Rome and Greece, the practice of sorting precious metals and coins at safe places and loaning out money for public and private purposes on interest was prevalent. In England, banking had its origin with the London goldsmiths who in the 17th century began to accept deposits from merchants and others for safekeeping of the money and others valuables. As public enterprise, banking made its first appearance in Italy in 1157A.D when the 'Bank of Venice' was founded.

As early as 1349, the banking business was carried on by the shopkeepers of Barcelona. Meanwhile, the local government restricted shopkeepers to operate this business until they had given sufficient security. During 1401, a public bank was established in Barcelona. It used to exchange the money, receive deposits and discount bill of exchange.

The bank of Amsterdam was established in 1609 to meet the needs of the merchants of the city. It accepted all kind of precious metal, coin and currencies on deposits .These deposit could be withdrawn on demand.

Crowthers observed that the modern banking has three ancestors who are the merchants, the goldsmith and the moneylender. The merchant banker forms the earliest stage in the evolution of modern banking. Merchant in those days required

remittances of money from one place to another while trading which is an important function of bank. This gave rise to the institution of 'hundi' or the letter of transfer which these days is done through draft, cheques, travellers cheques etc to remit money to different places. The goldsmith ancestry of the modern banks is purely and English affairs. In England, the goldsmiths were the original representatives of private bank. They charged for safekeeping the money consisting of gold and silver. The 'Bank of England' was established in 1694 A.D. The next stage in the development of banking arises when the goldsmith become banker; he started performing the two major functions of a bank. Napoleon founded the 'Bank of France' in 1800 A.D.

The 19th century comes with the vast scope of development of commercial banking. It witnessed not only the phenomenal development of modern problems enabling banks to turn their attention away from old money changing business to many new important jobs that comes in the wake of industrial progress .The 20th century observed the development of various banking institutions highly specialized and sophisticated particularly in advanced countries like U.S.A, U.K and others .Today various international organizations like I.M.F, I.B.R.D, A.D.B etc have been developed which are influencing the whole business of the modern world. Commercial banking in India began in 1770A.D with the establishment of first joint stock bank, named the 'Bank of Hindustan' by an English Agency in Calcutta. Lots of developments in the banking sector have occurred after the Independence.

In Nepal the origin of commercial banking activities can be traced to ancient Nepal. However, 'Tejrath' has performed the institutional form of banking activities for the first time during Rannodip Malla, Rana Prime Minister of Nepal. Afterwards with the necessity of commercial banks, Nepal Bank Limited, the first commercial bank was established in 1937 A.D. Then Nepal Rastra Bank, which is now the central bank of Nepal came into begin. In 2022 B.S. another commercial bank owned by the government named Rastriya Banijiya Bank was established.

Banking in British Isles organized with the London goldsmith of the 16th century. These men made loans and held valuables for safekeeping. By the 17th century English goldsmiths created the model for today's modern fractional reserve banking that is the practice of keeping a fraction of depositors, money in reserve while extending the remainder to borrowers in the form of loans. Customers gold and silver with the goldsmiths for safekeeping and were given deposit receipts verifying their ownership of gold deposited with the goldsmith. These receipts could be used as money because they were backed by gold .But the goldsmiths soon discovered that they could take a chance and issue additional receipts against the gold to other people who needed to borrow money. This worked as long as the original depositors did not withdraw all their gold at one time. Hence, the amount of receipts or claims on the gold frequently exceeded the actual of the gold, and the idea that bankers could create money. (Hriday Bir Singh, 2062: 11).

1.3 Role of Bank:

A well-developed banking system is a necessary pre-condition for economic development in a modern economy. Besides providing financial resources for the growth of industrialization, banks can also influence the direction in which these resources are to be utilized. In a modern economy, banks are to be considered not merely as dealers in money but also the leaders in development. They are not only the storehouses of the country's wealth but also are utilizing of resources necessary for economic development. It is the growth of commercial banking in 18th and 19th centuries that facilitated that occurrence industrial revolution.

The main objective of commercial banks is to mobilize idle resources for productive use after collecting them from different places. It brings about greater mobility of resources to meet the emerging necessity of the economy. These are various roles played by a commercial bank for the development of an economy,

which are capital formation, encouragement to entrepreneurial innovations, influencing economic activity, promotion of trade and industry, development of agriculture and other neglected sectors.

The main problem in almost all underdeveloped countries like Nepal is lack of capital formation and their proper mobilization. In such countries, commercial banks should act as a development bank. Nepal is a small and poor country but it has sufficient natural resources. To utilise those resources capital is required. Commercial banks gather monetary resources from different areas in the form of deposits and provide loan to investing areas like industry, agriculture etc.

Therefore the fate of the country is greatly determined by the active role of commercial banks. Banks provides facilities to their customers by providing loans, remitting funds, purchase and sale of bills and other market information. These services help to run the business and other economic activities rapidly as well as smoothly which ultimately helps in economic development.

1.4 Introduction of Nepal Investment Bank Ltd.:

The development of any country largely depends upon the availability of resources (Human, Information, Finance, etc.). Mostly the developing country depends on the important resources i.e. Finance. The active resource i.e. human is not able to perform their work in the absence of sufficient and complete resources. The finance play crucial role to develop the economy environment of the country. The finance requirement of these countries can be satisfied only if there is organized bank or banking system. Bank is an institution that collects deposits, provide loans, settle dept, issue credit and handle various kind of transaction in money and monetary instruments. Bank assists in the process from the production level to the consumer level services and also in development infrastructure as well as other financial activities of the government owned corporations.

Banking industries have placed themselves at high point for mobilizing countries financial resources and for socio-economic development. Banking is the nerves of the economic development, which can't be ignored. It maintains economic stability and provides the country with a monetary system of making/receiving payments.

Nepal entered in the world of banking with establishment of "Nepal Bank Limited" in 1937 A.D. The authorized was contributed by government (51%) and public (49%). In, 26th April, 1956 Central bank was established with the objectives of supervising, protecting the functions of commercial bank, and it was named as "Nepal Rastra Bank". After the establishment of Nepal Rastra Bank, 10 years later in 1966 another commercial bank was established under the Banijya Act 1964. The bank was Rastra Bank and it was fully owned by government. Later with the purpose of developing sectors, "Agriculture Development Bank" was established under the Agriculture Development Act 1967.

In 1980, 20 years after the establishment of commercial banks, government of Nepal introduced financial sectors reforms, as result many commercials bank were established under the company Act 2053 and commercial bank Act 2031. It brought new horizon in the financial sector of Nepal. Today large share of banking has been occupied by commercial bank. These commercial banks brought new banking technology to facilitate the banking system in Nepal. The liberalities policy of the government in early 1980's opened up the door for privatization, foreign investment as a result to many joint venture banks being to establish in Nepal. As one of them is Nepal Investment Bank Limited.

Nepal Investment Bank Ltd. (NIBL), previously Nepal Indosuez Bank Ltd., was established in 1986 as a joint venture between Nepalese and French partners. The French partner (holding 50% of the capital of NIBL) was Credit Agricole Indosuez, a subsidiary of one of the largest banking group in the world. With the decision of Credit Agricole Indosuez to divest, a group of companies comprising of

bankers, professionals, industrialists and businessmen, has acquired on April 2002 the 50% shareholding of Credit Agricole Indosuez in Nepal Indosuez Bank Ltd. The name of the bank has been changed to Nepal Investment Bank Ltd. upon approval of bank's Annual General Meeting, Nepal Rastra Bank and Company Registrar's office with the following shareholding structure.

- A group of companies holding 50% of the capital
- Rashtriya Banijya Bank holding 15% of the Capital.
- Rastriya Beema Sansthan holding the same percentage.

The remaining 20% being held by the General Public (which means that NIBL is a Company listed on the Nepal Stock Exchange). The head office of the NIBL is located at Durbarb Marga Kathmandu. This bank is totally (A) class commercial bank. NIBL provide a complete range of person, commercial and corporate banking and related financial services through its 27 branch and 46 external countries. The bank has corresponding agency relationship with 23 countries. The branch facilities the customer's draft their money of the major bank of Indian like ICICI, HDFC, CITY. Some of those banks are connected to NIBL bank which are connected affiliated or mast commercial city of India. This Bank facilities the valued customer to remit their money from Golf countries. (Saudi Arab Qatar, Malaysia, Dubai etc by NIBL staffs. Services of NIBL are Deposit Collection, loans, Trade Finance, Remittances, Tele banking Service, Bank Guarantees, Export Credit, Any Branch Banking, Clearing/Collection, Bills Purchase, Funds Transfer, ATM, Credit Card, Debit card, E-banking, Locker, NTC Mobile Bill Payment etc.

1.5 Statement of the Problems:

Objectives of the MIS are to provide information for decision making planning initiation, organizing and controlling the operations of the subsystem of the firm and to provide a synergy to organization in the process. MIS in today's world can be define as a system which handles the data base, provides computing facilities to the end user and gives verity of decision making tools to the user of the system. In fact "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 objectives of the organization." (Management information system: W.S. JAWADEKAR second edition 2002: 6)

It will be found after the study of the bank that it is providing various services .There is tough competition towards this bank, because other commercial banking organization are also introducing with more advanced technology and with experienced manpower in the country. They are providing more facilities to the customers in on every, and better way and they are becoming success giving quick services. Success always depends on making right decision on right time; the right decision can be made on with the help of required effective information. Only the new system i.e. MIS can provide the sufficient information to the decision maker in proper way. The obscene of proper strategy for the implementation of MIS in the bank is one major factor that be attributed for this short fall.

The proposed study in focused on MIS in Nepal Investment Bank Ltd. (NIBL). This study will be one or more in the series of such studies that attempts to identify the problems and provides proper recommendation. This study will be helpful for bankers to the make the plan for the effectiveness of banking services. They can spread the importance of MIS in banking sector.

In short, this proposed study focused on the MIS for strategic and end user in NIBL is fluctuated as well as major problems related with information system in banking process. NIBL goals and objectives could be affected in the absence of MIS. This study has aimed to find out the answer to the following questions.

1- Are the manager / employee aware of management information system?
2- Are the management information issued practiced in NIBL?
3- What and how the information system will help to know the situation of the bank and how the information is flowing in different level of management?
4- How the relation among different branch, with the information is point of view, and examine the existing system / situation of IT system and software personnel in the bank?
5- How the bank has been using training requirement of software and hardware personnel in the bank for improvement of MIS?

1.6 Objectives of Study:

The overall purpose of the present study is to examine the role played by MIS for strategic and end user in NIBL .There is a great importance of bank, for smooth inclination of industrial development. The major objectives of study are to examine the implementation of MIS in the Nepalese bank as an effective commutation tool and analyze its productivity in the bank due to the globalization, people and corporate industry sought to adopt the new technologies. The general objectives of this study are to be exploring the existing system of bank and to recommend the suitable system of sustainability. The study is going to emphasize the management information system for easy and smooth operation to increase the effective performance of bank.

1- To asses the past and present MIS system of NIBL.
2- To study and analysis the existing information system of NIBL

3- To examine the flow of information in different level and evaluate the gap in existing information system.

4- To analyze the computer system and technology being used in the NIBL.

5- To examine the information system flows between the different level of management departments and branches of NIBL

6- To examine the attenuate of strategic level and end users.

7- To provide suggestion on the basis of findings and conclusion.

1.7 Need and Significance of Study:-

This study shows the practical use and implementation of MIS in the NIBL. It reflects how MIS can help the organization to obtain its goal and play a role for the betterment of the organization. Large number of commercial bank are introducing in the country which are given the different banking facilities to the customer in industry trade and services sector and in agriculture sector.

This is an age of information system and technology. Development of information system and technology made a world "Global village", so there is tough computation in the world. Being a modern bank, NIBL has to face all problems and has to solve it effectively and efficiently as soon as possible. The manager should have the competencies to make the quick decision at right time. It is possible only when there is adequate accurate, relevant and updated information is available.

A MIS is a tool that provides the information for decision making. NIBL is the leader in Nepal in term of using computers. All branches are fully computerized and using MIS. NIBL has also been using various kinds of hi-tech software system for their daily activities. Needs updated effective information keeping this view in consideration, I like to study that how is the banking system, examine the deficiencies in existing system and to recommend the suitable system i.e MIS.

The finding and recommendation, its implementation can play a significant role in the enhancement / betterment of bank. The study deals with the potential, practical and beneficial aspects of MIS use in the big and complex organization like NIBL. The study is directly related to the analysis of the needs and implementation aspect of MIS in a big organization for better and effective management. It also deal with benefits of using MIS in an organization and its prospects of effectively improving work performance of each level of management in decision making.

1.8 Limitation of study:

The study or thesis work of is done for the partial fulfillment for MBS degree in management Each and every study has some limitation .It is more in the case of research studies, Following limitation were noticed during the research studies.

- ∫ The research study generally based on data & information that has been provided by the NIBL, Bhairahawa Branch.
- ∫ Up to five year's data are used for this purpose.
- ∫ Time factors are not sufficient for detail study.
- ∫ The research study has been based on primary & secondary data & information to present and analyze the existing information system of the NIBL.
- ∫ The research study has been limited within the information system it's process, procedure, technology employed in existing information system of NIBL, but does not fully concerned with financial aspect of the bank only summary is used.
- ∫ Data and information has been used in the research study from the fiscal year 2060/61 to 2064/65.
- ∫ The existing information system has been analyzed by using some tools and techniques used in MIS and Major finding has been drawn out in the study.

1.9 Organization of Study:

This study has been broadly divided into five chapters, each chapter devoted to some aspect of the study on "Management Information System For Strategic And End User A case study of Nepal Investment bank Limited "

Chapter –I   : Introduction
Chapter –II   : Review of literature
Chapter –III : Research Methodology
Chapter –IV : Data presentation and Analysis and interpretation
Chapter –V   : Summary, Conclusion and Recommendation

Chapter one consist introduction background and focus to study, statement of problem, need of study objective of study limitation of the study and finally organization of study.

Chapter tow deals with review of the literature, which consists of conceptual framework, review of the books and journals and review form empirical studies.

Chapter three deals with the research methodology, it includes nature of research, nature and sources of data, data collection procedure, tools for analysis.

Chapter four attempts to analyze and evaluate the date with the help of analytical tools and interpret the result obtained.

Chapter five sums of the result obtain through analyses and recommendation some suggestions.

REVIEW OF LITERATURE

Review of literature is finding the pertinent fact which the available literature in ones field of research. In other world the study of the material available on research topic is called, "Review of Literature". It is an essential part of our all studies it is a way to discover what other's research in the area of our problems. Review of literature not only provides solid information on the topic but also guides the future action. The previous study can not be ignored because they provide the foundation to the present study. The main propose of literature review is to find out what studies have been conduct in one's chosen field of study and what remains to be done. It gives the complete frame work to the researcher on their own field. The other major propose of review of literature is to develop some expertise knowledge in ones area to sea what new contribution can be made and received some idea for developing a research design..

Research must be based on past knowledge. The previous studies can not be ignored because they provide the foundation of present study. According to Wolff and Pant, Literature review is basically a "stock taking " of available literature in one's field of research (Wolff and pant, Isencomaee 1999 PN 30) This chapter mainly concentrates in the extensive review of the available report, brochures books and website various published and unpublished papers relating to the topic of the research. It is get the in-depth knowledge of the information system to familiar with the characteristics of MIS and to find the appropriate way to implement MIS in the day today managerial process in the company. The purpose of reviewing the Literature is to develop some expertise in one's area, to see what new contribution can be made and to receive some ideas for developing research design.

2.1 Conceptual view of MIS:

MIS is the computer based information system which can be described by the help of following definitions. The MIS can be defined as a system which provides information support for decision making in the organization. It is defined as an integrated system of man machine for providing the information to support the operations, the management and the decision making function in the organization. It is defined as a system based on the database of the organization evolved for the purpose of providing information to the people in the organization. It is defined as a computer based Information system.

In any organization, small or big a major portion of the time goes in the data collection, processing, documenting and communicating it to the people. Hence, a major portion of the overheads goes into this kind of unproductive work in the organization. Every individual in an organization is continuously looking for some information which is needed to perform his/her task. Hence the information is the people oriented and it varies with the nature of the in the organization. Management Information System is an inter related components working to gather to collect, process, store and disseminate information to support decision making , coordination, control, analyses and visualization in an organization. The Information is data that have been shaped in to form, that is meaningful and useful to human beings. Data is streams of raw facts and figures representing events occurring in an organization or its physical environment before they have organized and arranged in to foam. Inputs capture or collection of row data from with in the organization or from its external environment for processing in an information system. Output is distribution of processed information to the people or activities where it will be used. Computer based information system (CBIS) is the information system that rely on computer hardware and software for processing and disseminating information.

The concept of MIS given, high regard to the individual and his ability to use the information .An MIS gives the information through data analysis. While analysis the data, it relies on many academic disciplines. These include the theories, principles and concept from the management science, management Accounting, operating research, organizational behavior, making the MIS more effective and useful. These academic discipline and used in designed the MIS involving the decision support tools for modeling and decision making. MIS evolved over a period of time comprising many different facts of the irrigational function. During the past few years there have seen many new concepts advanced for improving management e.g. Decision theory, Planning theory, origination theory, behavioral theory of the from each of all these philosophies has helped to sharpen management skills; however them there is still a need for on operative theory of management, a theory which provide a conceptual framework of better division and operation. It is our contention that today's large –scale business enterprise could apply the system concepts to meet the growing complexities and proliferation of operation for system theory provides a conceptual framework in which the manager can integrate his operations effectively

A MIS can be evolved for a specific objective if it is evolved after systematic planning and design. It can for an analysis of a business, management views and polities, organization culture and management style. The information should be generated in this setting and must be useful in the management the business. This is people only when it is conceptualized as a system with an appropriate design.

Generally, the combination of major three components viz. Management information system is known as MIS. In order to make the concept more clear each part or components is examined separately.
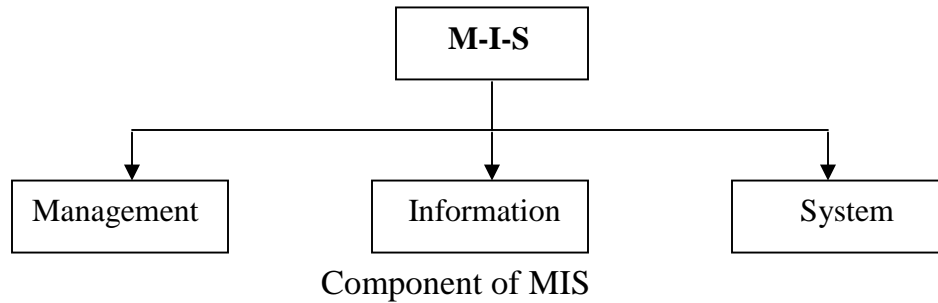
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    │  Management  │  │ Information  │  │  System  │
    └──────────────┘  └──────────────┘  └──────────┘
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Component of MIS

Figure: 2.01

2.1.1 Management:

Management as defined by Mary Follett is "the art of getting things done through people." A manager is defined as a person who achieves the organization's goals by motivating others to perform not by performing himself. Whether management is on art or a science is a very subjective question. But it can be said without doubt that modern management in the environment of technology is becoming more of a science then on art. We can define management for the purpose of management information system as the process of planning, organizing, staffing, coordinating and controlling the efforts of the members of the organization to achieve common stated goals of the organization. Management is described as a decision making job. It is, of course, much more, than that. Manager exerts influence lead and use power. They collect and disseminate information. They inspect and evaluate. They represent their groups departments or organization. Mangers thrive on information. Having the right knowledge at the right time makes decision making easier. It is great sources of power, it can gave a manager or an organization a competitive edge. In the process of management, a manager use human skill, materials resources and scientific methods to perform all the activities leading to the achievement of goals. The management process involves a continuous resolution of conflicts of one kind or the other which affects the achievements of goals. In the management of any activities, a manager comes across human conflict, conflict of goals, conflict of approach or method and the conflict of choice. The

manager uses a verity of tools, techniques and skills while executing the management process of planning, organizing, staffing, coordinating and controlling. An effective way of handling this process is to treat the organization as a system.

a) Planning:- Setting and forecasting the essentials strategies, policy, resources, methods and Modules etc.

b) Organizing: - A selection of a combination out of several combinations of the goals, People, resources, method and authority etc.

c) Staffing: - Providing a proper and skillful manpower complement.

d) Directing: - Choosing a method and making clear the path to achieve the pre-determined   goals and objectives of the organization.

e) Coordinating: - Making harmonious environment between the resources to get optimal   utilization of the limited resources.

f) Controlling: -   A selection of the exceptional conditions and the decision guidelines.

It ensures that activities are being preformed as per plans. Controlling is the process which involves

〕   Fixing standards for measuring work performances

〕   Measurement of actual performance

〕   Comparing actual with standard and finding out deviation

〕   Taking correctives action

The management can also be grouped into three hierarchical levels top, middle and bottom. Also it can be grouped into strategic management, tactical management and operational management.
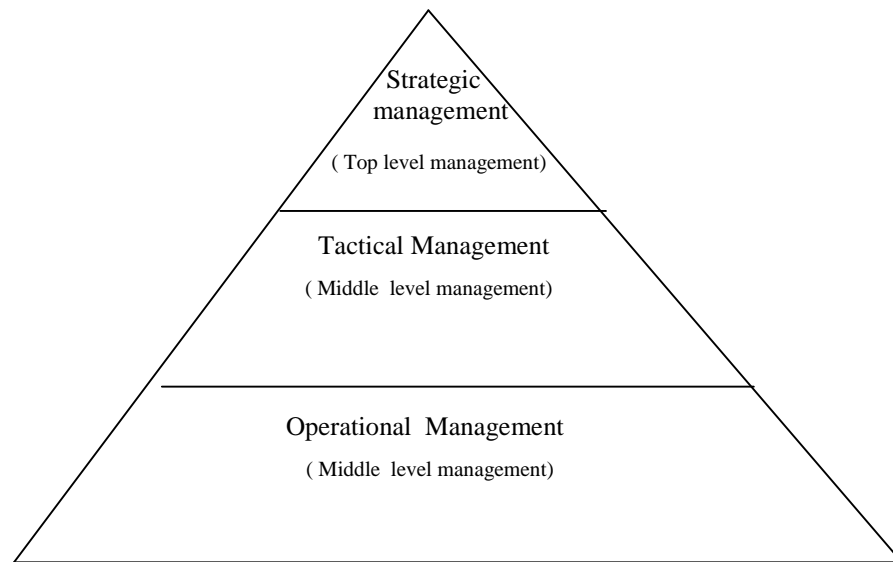
Pyramid of level of management

Figure: 2.02

The strategic management determines what markets or business the organization should be in at present or plan in the future. It establishes the polices plans and objectives of the organization as well as a budget frame work under which various departments will operate. Tactical management has the responsibility of implementing the polices and overall plans of the top management. It includes processes or operational management. Operational management has the responsibility of implementing day to day operations and decisions of the middle level management to produce goods or services to meet the objectives or goals which in turn will enable the organization to achieve its overall plans and objectives.

2.1.2 Information:-

The information is a second component in the term MIS is considered as available resources required by the management in order to run a business organization.

The word information is used commonly in our day to day working information has precise meaning and it is different from data. The information has a value in decision making while data does not have information clarity and creates an intelligent human response in the mind. To faced with dynamic, complex, uncertain environment, managers to day need information that is accurate, specific, relevant, timely and complete reporting and decision making.

Davis and Olson define "Information as a data that has been processed in to a form that is meaningful to the recipients and is of real or perceived value in the recipient. Data is defined as groups of non-random symbols in of the text images or voice representing quantities actions and objects."

Mahesh Kumar defines "Information is knowledge that one derived from fact placed in the right context with the purpose of reducing uncertainty. From a manager's point of view, information services the alternative course of action in the process of decision making.

In every information systems there is a collection of procedure. These procedures actually process and report the data or they specify just how the data is to be processed and reported. Information is a data that is processed and is presented in a form which assists decision maker. In other words, information is the result / product of the processed data.

Data		Processing		Information

Information System

Figure: 2.03

Information is a processed from of data. Data are fact and figure that are not currently being used in decision processed and usually the from of historical record and field with out immediate intent to retrieve for decision making where information consists of data that have been retrieved processed or otherwise used for

informative or inference purposed, argument or as a basis of forecasting or decision making.

Information has certain characteristics, which are: Improves representation of an entity, Updates the level of knowledge, Relevant sufficient for its purpose has a surprise value, Reduces uncertainty, Aids in decision making, Communicate through right channel, time and level.

Types of Information:

In the basic of purpose and management the information can be divided in three category which are as follows:

-) Strategic information
-) Tactical information
-) Operational information

Strategic information:

Strategic information is used primarily by top management and its staff to cover a long time span, generally one to five years. This type of information is employed for planning purpose and analysis of problems areas to discover the underlying reasons for specific problems or conditions. Primarily it invoices large amount of information devised from or relating to area of knowledge outside the organization. In many cases strategic information finds answer to the question *why rather then what or when*?. Since it concerns it self with determine objectives, initiating pointiest, developing strategic. Initiation progress and establishing policies that will govern the acquisition, use and disposition of resources needed to archive objectives.

The purpose of generation strategic information is to assist top management in strategic decisions that are characterized by a great deal of uncertainly. These decisions establish long-range policies that affect the entire organization. The

overall objectives of the organization are stated and range of strategies one made which many entail for example, plan expansion, determination of product line, managers, diversification into other area capital expenditures or the sales of organization times, based on strategic information appropriate strategic decision are made to further organization objectives.

Tactical information:

These types of information are the resource needed by middle management for practical decision making to allocate recourse properly for the attainment of organization objectives. This kind of decision making concerns funds flow analysis, decision on plant layout, resolving personnel problems, product improvement and resources and development whereas strategic decision making ensiles largely a planning activity, practical decision making requires fairly equal planning control activities.

Operational information:

Operational information being the lowest level is concerned with structured and respective activities that are measurable in from of specific result it allows line managers. Such as plant Forman and department head to measure performance against predetermined objectives, including standard and budgeted figure. Similarly, operational allows lower management to comment on how operating standard and policies can be improved to assist day to day operation. The feedback of essential information from this low level keeps higher levels of management aware of unfavorable as well as favorable result. Operational information is needed at the invest level of decision making that is a process of Suring that specific tasks are implemented in an effective and efficient manner. This kind of decision making require on specific commands to be given which control specific operations. The primary management function involved is that of control with planning preformed on a rather limited scale.
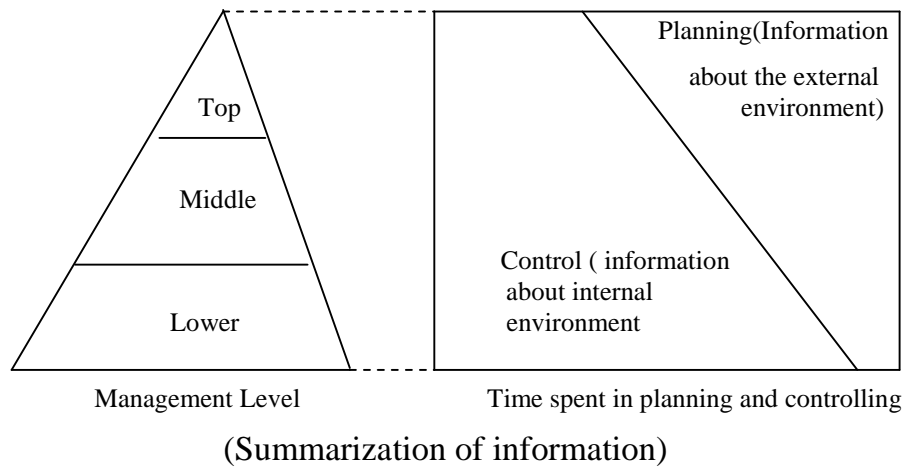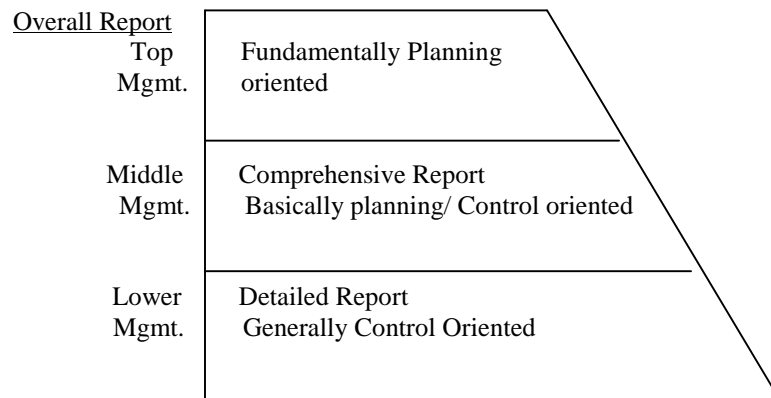
(Summarization of information)

Figure: 2.04

Relationship of the managerial levels to time spent on planning and control,
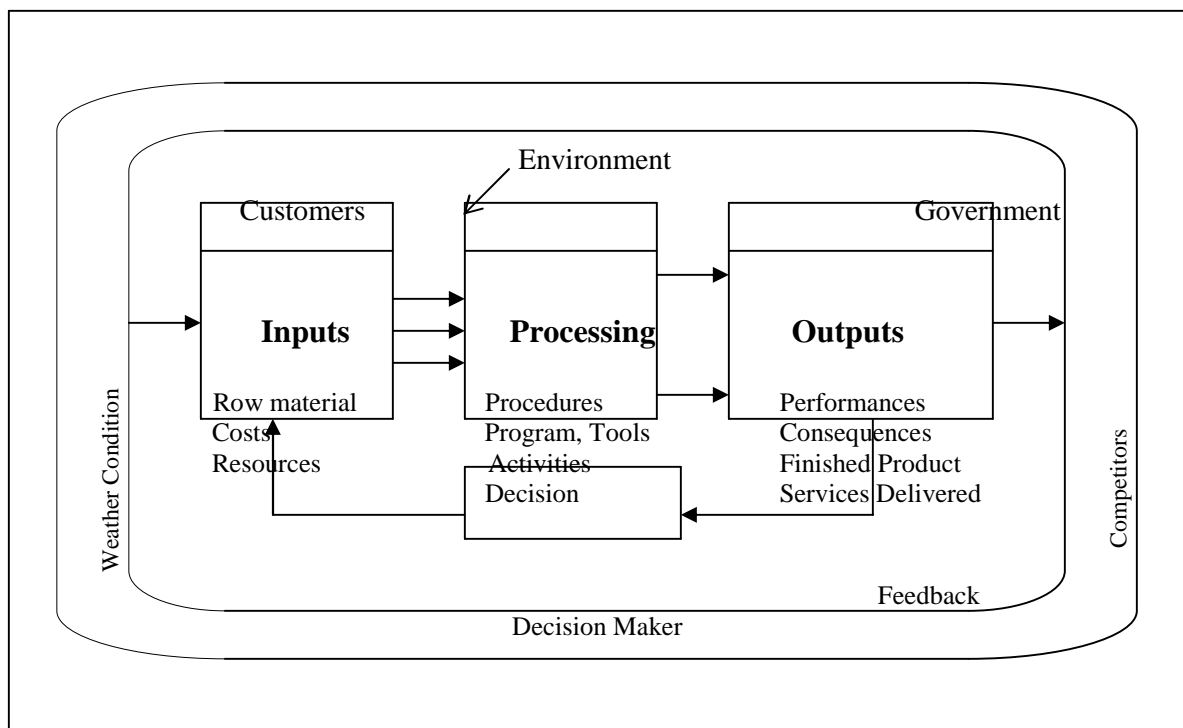and to the summarization of information

Types of information needed at management level
Figure: 2.05

2.1.3 System:-

System is defined as a set of elements arranged in an orderly manner to accomplish on objective. (Jawadekar w.s.2002)It is noted that a system is not a randomly arranged set. It is arranged with some logic governed by rules, regulations, principles and policies. Such an arrangement is also influenced by the objectives the system desires to achieve.

The essence of system is interrelationship among elements. Information is purpose oriented organized data and is a requisite for survival of all organization. The interrelated networks which transmute data into information throughout on organization constitute its information system. All purposive organization "(even the self-governed ones) must be managed directed towards a goal or purpose. The information which enables the process of mgmt is the mgmt information system. System are divided into three distinct parts input process and outputs. They are surrounded by an environment and often a human decision maker is considered part of the system.

Environment

Customers | Government

Inputs

Row material
Costs
Resources

Processing

Procedures
Program, Tools
Activities
Decision

Outputs

Performances
Consequences
Finished Product
Services Delivered

Weather Condition

Competitors

Feedback

Decision Maker

Vendors

System Boundary
System and its environment
Figure: 2.06

A system has a single input and multiple outputs or may have several inputs and outputs. For ex. a business organization system has several inputs and multiple objectives, such as sales, profit, service and growth. The choice of inputs and processing methodology is governed by the objectives set for the system. Any misalignment in this arrangement would lead to a wasteful collection of inputs and its processing will fail to achieve the desired objective.

All the system operates in an environment. The environment may influence the system in its design and performance. When a system is designed to achieve certain objectives it automatically sets the boundaries for itself. The understanding of boundaries of the system is essential to bring clarity in explaining the system components and their arrangement.

An organization is itself a whole system. It has also different sub system which directly or indirectly affects the information system of the organization. Hence, understanding the organization its primary goals and objectives, structure dynamics, scales of operation and finally the environment under which the organization is operating plans a key in the successful implementation of contemporary corporate information system. System is used as any organized and coherent body of knowledge.

2.2 Management information system:-

The MIS is an arrangement of data processing and information system in an orderly manner to support the mgmt in achieving the business objectives. The boundaries cross the limit of the organization and down the data from the sources external to the organization. MIS follows a general model of a system as stipulated performs in the principle of feedback and control. It works on the principle of control by exception.

The management information system is an integrated man machine system that provides information to support planning and control function of manager in an

organization. It collects, maintains, correlates and selectively display information in the proper time frame consistently to meet the specific requirement of various level of mgmt in order to take decision and actions to fulfill the organizational objectives. (AK Gupta and J K Sharma 462).

MIS can also be defined as the combination of human and computer based resource that results in the collection, storage, retrieval ,communication and for business planning and it is defined as the "computer based information system."

"An MIS can be viewed as a systematic process for providing reports data or other outputs for specific organization function and processes. It provides information needed to manage the organization and support policy analysis and other long-range efforts. It involved systematic procedure for the generation, storage and retrieval of data on operation of organization and the availability of that for planning and decision making."-Thomas p. Murphy 1974.

"According to Muneesh Kumar (Kumar M 1999) defines a MIS aims meeting the information needs of managers, particularly with regard to the current and past operations of the enterprise. They offer summary reports on the operations of the enterprise and sometimes provide online link to individual transaction as well. That is way this system are also called operations support system."
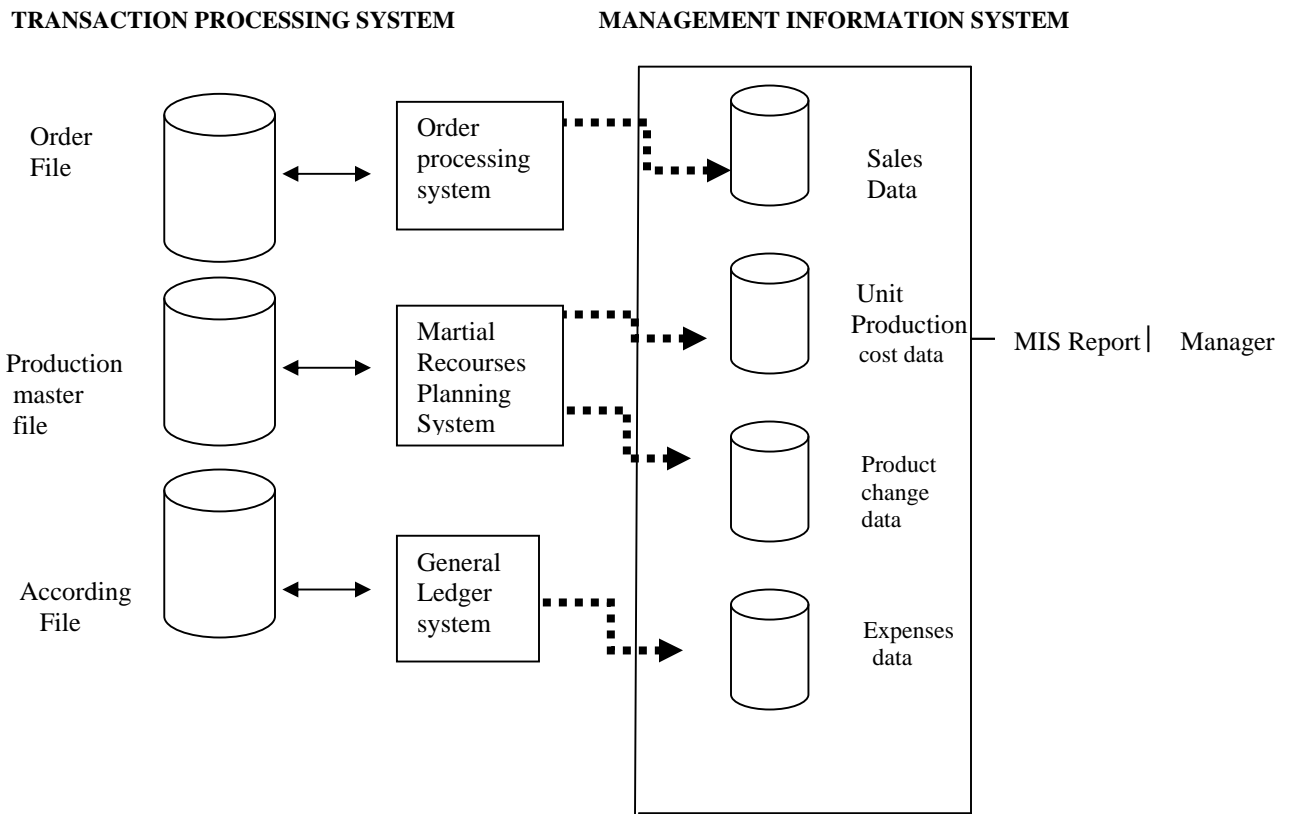
According to Loudon and Loudon, "An information system can be defined technically as a set of interrelated components that collect, process store and distribute information to support decision making and control in on organization. In additional to supporting decision making, co-ordination and control, information system may also help managers and workers analyze problems visualize complex subjects, and create new product." (Loudon k. c. and Loudon J.P. 2002)

According to Sanders, "A management information system is defined as a network of data processing procedures developed in on organization and integrated

as necessary with manual and other procedures for the purpose of support decision making and other necessary management functions." (Sanders D.H. 1983)

An MIS reports summarize or aggregate information to support decision making tasks so MIS are system that have information processing responsibilities that include creating information and conveying information to whoever needs it.

MIS are often called management altering system because they alert people (Management) to the existence (or potential existence) for the problems or opportunities. This is an important distinction between a MIS other system that support management efforts. MIS are designed primarily to summarize what has occurred and point people towards the existence of problems or opportunities. Report generated by MIS rarely tells someone why a problem or opportunity exists or offer solutions.

TRANSACTION PROCESSING SYSTEM   **MANAGEMENT INFORMATION SYSTEM**

Order File → Order processing system → Sales Data

Production master file → Martial Recourses Planning System → Unit Production cost data

According File → General Ledger system → Product change data

Expenses data

MIS Report — Manager

Transaction Processing system and MIS
Figure: 2.07

MIS (figure 2.07) designates a specific category of is serving management level functions. MIS serve the mgmt level of the organization providing managers with reports or with on-line access to the organization's current performance and historical records. Typically, MIS are oriented almost exclusively to internal in of environmental or external events. They primarily serve the functions of planning controlling and decision making at the management level. Generally, they depend upon underlying transaction processing system for their data.

Interoperation of function and techniques and a conceptual model of the system of organization and management are shown in figure: A system that integrates the parts: Resources flows, function of mgmt orga^n theory and the various techniques. A management information system has been added as vital additional components. This is the planning, activities plans and furnished the essential feedback information necessary to achieve stability through control. (Murdick, Rooss and Claggett, 1984)

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                        ┌──────────────────────────────┐
                        │  Organization and Management │
                        └──────────────────────────────┘

                                              ┌──── Behavioral Science
                                              │      Technique
                                              │
                              Technique of    ├──── Quantitative Technique
                                              │
                              Management      ├──── Decision Technique
                                              │
                                              └──── Experience Rules

                        FUNCTION OF MANAGEMENT

        ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
        │ Planning │ │Organizing│ │ Directing│ │ Staffing │ │Controlling│
        └──────────┘ └──────────┘ └──────────┘ └──────────┘ └──────────┘

                        ┌────────────────────────────────────────────┐
                        │              RESOURCE FLOW                   │
                        ├──────────┬──────────┬──────────┬────────────┤
                        │ Manpower │  Money   │ Material │ Machine and│
                        │          │          │          │ facilities │
                        └──────────┴──────────┴──────────┴────────────┘

                 MANAGEMENT INFORMATION SYSTEM
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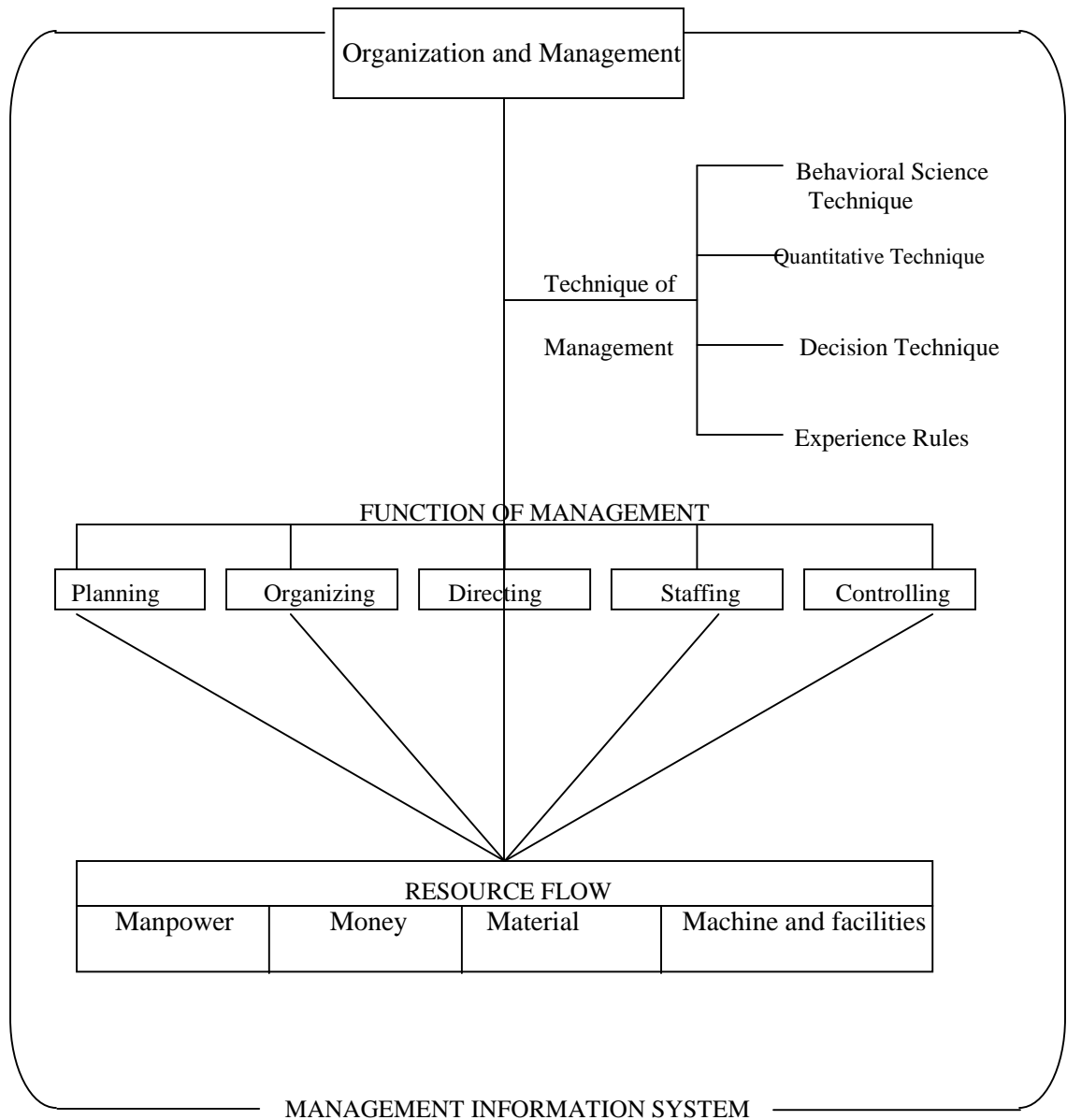
Organization and Management – A system
Figure: 2.08

Designing an information system that gives a competitive advantage requires at least two things first it requires an understanding of the problem that is trying to solve. Second it requires on understanding of available technologies to know which one to use in designing a creative solution for the business problem. This is why studying MIS is so important MIS emphasizes both business process technical solutions.

An MIS gives high regards to the decision maker and his ability to use the information. MIS gives the information through data analysis computer based management information system today serve a verity of function for manager, such as transaction processing, information reporting, decision support and decision making .In each of these functions, MIS permit the manager to work more productively and effectively in a complex and dynamic environment. The use of MIS to support management decision making by providing information and performing analysis is enjoying rapid growth.

2.3- Role of MIS:

The role of the MIS in an organization can be compared to the role of heart in the body. The information is the blood and MIS is the heart. In the body the heart plays the role of supplying pure blood to all the elements of the body including the brain. The heart works faster and supplies more blood when needed. It regulates and sends it to the destination in the quality needs of blood supply to human body in normal course and also in crisis.

The MIS plays exactly the some role in the organization. The system ensures that an appropriate data is collected from the various sources, processed and sent further to all the needy destinations. The system is expected to fulfill the information needs of an individual, a group of individuals, the management functionaries the manager and the top management.

The MIS helps the junior management personnel by providing the operational data for planning, scheduling control and helps them further in decision making at the operations level to correct on out of control situation, The MIS helps the middle management in short term planning, target setting and controlling the business functions. IT is supported by the use of the management tools of planning

and control. The MIS help the top management in goal setting, strategic planning and evolving the business plans and their implementation.

The MIS plays the role of information generation, communication, problem identification and helps in the process of decision making. The MIS, therefore, plays a vital role in the management, administration and operation of an organization.

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                        ┌─────────────────┐
                        │   MIS defined   │
                        └─────────────────┘
                    ┌──────────────────────────┐
                    │  What is system Approach? │
                    └──────────────────────────┘
                              ◇
┌────────────────────┐                      ┌────────────────────┐
│Component of Business│        ◇            │  Component of Mgmt. │
└────────────────────┘                      └────────────────────┘
                    ┌──────────────────────────┐
                    │  What is system Approach? │
                    └──────────────────────────┘
                              ◇
┌────────────────────┐                      ┌────────────────────┐
│MIS in the Organization│      ◇            │ Manager for tomorrow│
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                    │   Meaning and Role of MIS │
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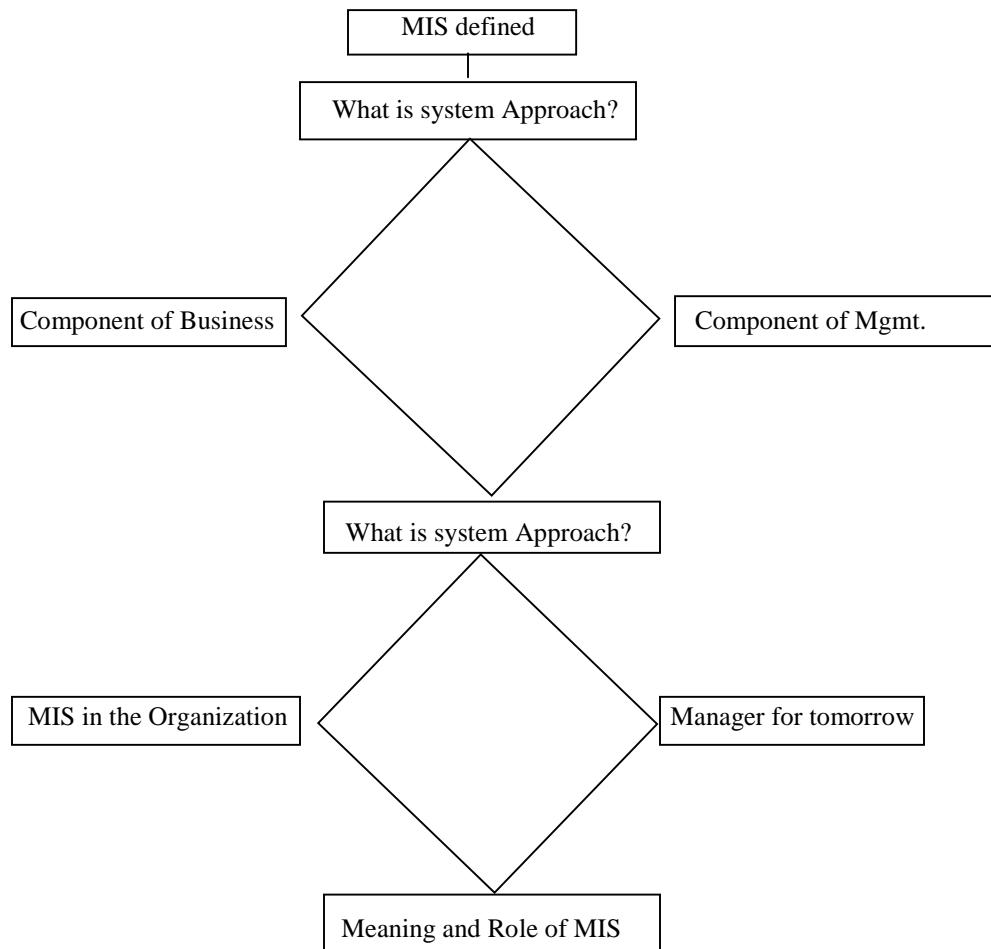
Meaning and Role of MIS

Figure: 2.09

2.4 Major role of MIS in Organization:

꣠ MIS helps in various system i.e. Query system analysis system, modeling system and DSS ect.

꣠ MIS helps in strategic planning, management control, operational control and transactions processing etc.

꣠ MIS plans the role of information generation communication, problem identification and the process of decision making.

꣠ MIS helps in management administration and operation the organization.

2.5 Objectives of effective MIS:

꣠ Facilitated the decision making process by furnishing information in the proper time frame.

꣠ This helps the decision maker to select the best course of action.

꣠ Provide requisite information in each level of management to carry out their function.

꣠ Help in highlighting the critical functions to be closely monitored for successful; function of management

꣠ Support decision making in both structured and instructed problem environment.

2.6 Management and MIS:

The objective of MIS is to provide information for a decision support in the process of management. It should help in such a way that the business goals are achieved in the most effective manner. Since the decision making is not restricted to a particular level, the MIS is expected to support all the levels of the management in conducting the organizational operations. Unless the MIS becomes the management aid, it is not useful to the organization. The following figure would clear more about it.

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                        ┌──────────────┐
                        │ Environment  │
                        └──────────────┘
                           ↕        ↕
                        ┌──────────────┐
                        │  Management  │
                        └──────────────┘
                           ↕        ↕
                        ┌──────────────┐
                        │ Goal Setting │
                        └──────────────┘
                                │
                                ↓
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P L A N I N G	O R G A N I Z I N G	S T A F F I N G	D I R E C T I N G	C O R D I N A T I N G	C O N T R O L I N G

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              ┌─────────────────────────┐
              │    Information system    │
              └─────────────────────────┘
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              │          MIS            │
              └─────────────────────────┘
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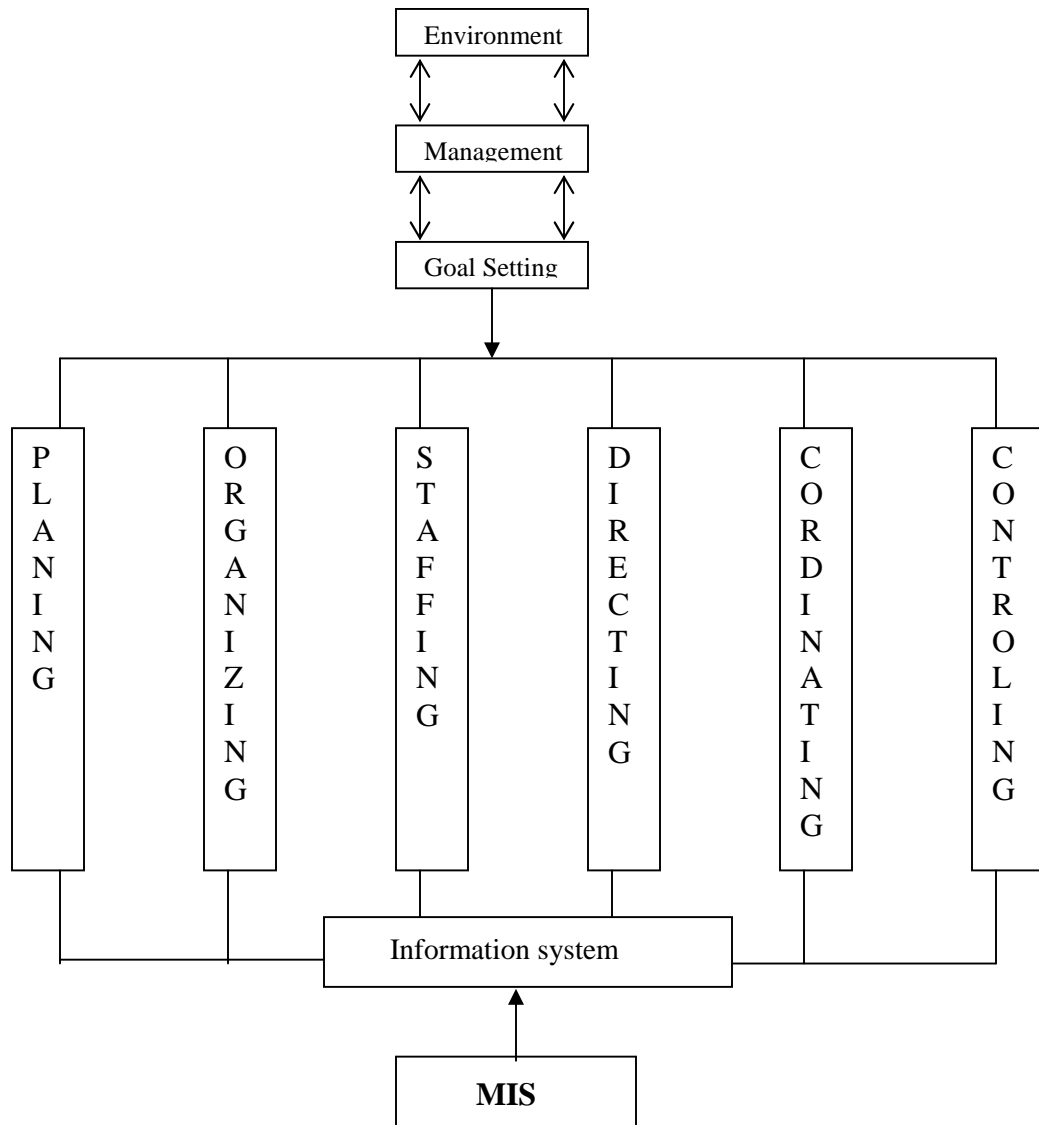
Management and MIS

Figure: 2.10

(W S Jawadekar MIS 2nd Edition 2002)

2.7 Components / Structures of MIS
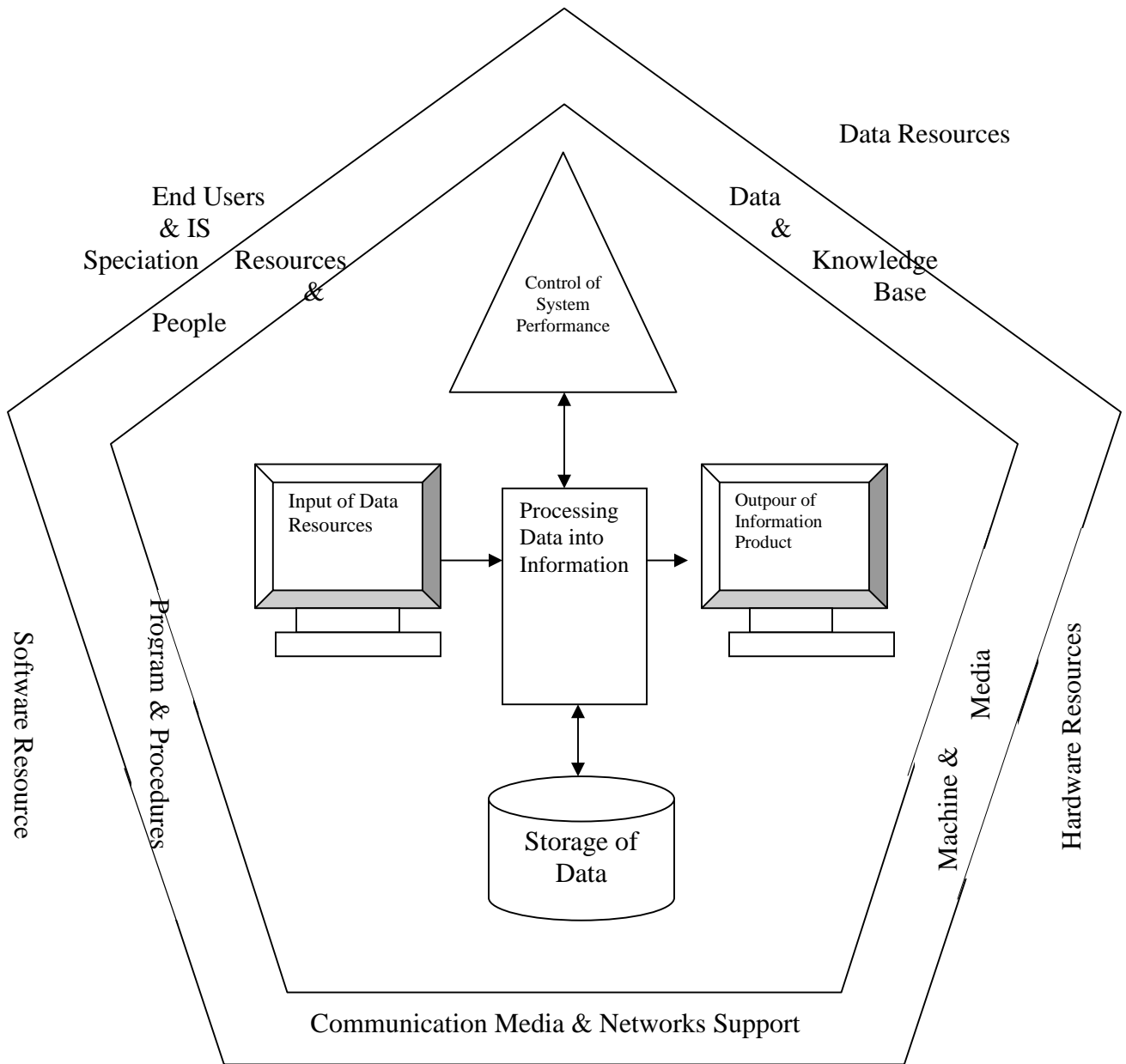
Component of MIS
Figure: 2.11

In the information system depends on the resources of people (end user and IT specialist hardware (machine & media, software (program and procedure), data (data and knowledge base) and networks (communication media and network support) to perform input, processing output, storage and control activities that convert data resources in to information products

The information system model highlights the relationship among the components and activities of information system. It provides a framework that emphasizes four major components that can be applied to all types of information system.

) People, hardware, software data and networks are the five basic resources of information systems.

) People resources include end user and IS specialists , hardware resources consists of machine an d media , software resources include both program and procedures, data resources can include data and knowledge base and network resources include communication media and network.

) Data resources are transferred by information processing activities in to a variety of information products for end users.

) Information processing consists of input, processing, output, storage and control activities.

2.7.1 People Resources:

People are required for the operation of all information system. This people resource end users and IS specialists. End user (also called user or client) are people who use an information system or the information it products. They can be accountants, salespersons, engineers, clerks, customers or managers. Most of us are information system end users.

Is specialists are people who develop and operate information system. They include system analyst, programmers, computer operators and other managerial, technical and clerical IS personnel. Briefly, system analyst design information system based on the information requirement of end users, programmers prepare computer program based on the specifications of system analysts and computer operator operate large computer system.

2.7.2 Hardware resources:-

The concept of hardware resources include all the physical devices and materials used in information processing. Specially, it includes not only machines such as computer and others equipments but also all the data media this is all tangible objects which records data from sheet of papers to magnetic disks. Examples of hardware in computer based information system are:

Computer System, which consists of center processing units containing micro processes and a variety of inter-connected peripheral devices. Examples are microprocessor system; midrange computer system and large mainframe compute system

Computer peripherals, which are –devices such as a keyboard of mouse for input of data and commands, a monitor or monitor or printer for output of information magnetic and optical disks for storage of data resources.

General Model of an Information System
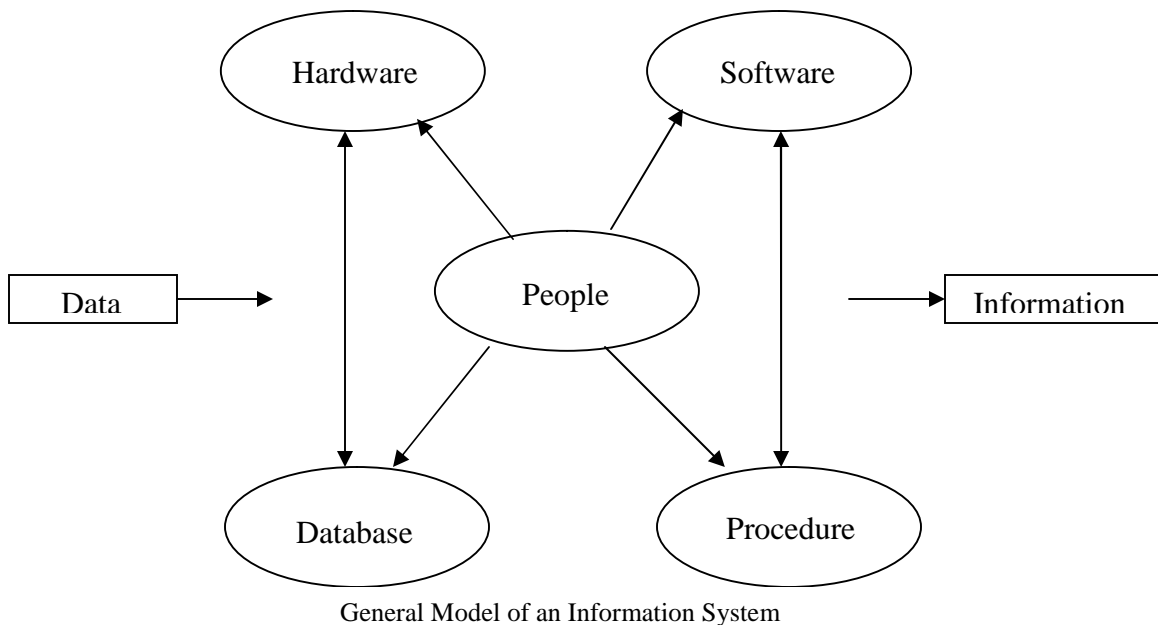
Figure: 2.12

2.7.3 Software Resources:-

The concept of software resources includes all sets of information processing instructions. This generic concept of software include not only the set of operating instruction called program , which direct and control computer hardware but also the set of information processing instruction needed to people called procedures.

It is important to understand that even information system don't use computer have a software resources component. This is true even for the information system of ancient times, or the manual and machine –supported information system still used in the world today. They all require software resources in the form of processing instruction and procedures in order to properly capture process and disseminate information to their users.

The following are the example of software resources.

) **System software**: - Such as operating system program which control and support the operations of a computer system.

) **Application Software**: - Which are programming that direct processing of a particular user of the computer by end- user to perform specific task. Examples are sales analysis program, payroll program and word processing program.

) **Procedure: -** Which are operating instruction for the people who use an information system. Examples are instructions for filling out a paper from or using a software package.

2.7.4 Data Resources:-

Data is more then row material of information system. Manager and information system professionals have broadened the concept of data resources. They realize the data constitutes vulnerable organizational resources. Thus, data should be viewed as data resources that must be managed effectively to benefit all end users in an organization.

Data can take many forms, including traditional alphanumerical data, composed of number and alphabetical and other characters that describe business transaction and other events and entities. Text data, consisting of sentences and paragraphs used in written communications, image data such as graphs shapes and figures and audio data the human voice and other sound are also important forms of data.

The data resources of information system are typically organized into:
) Data based that hold processed and organized data.
) Knowledge bases that hold knowledge in a Varity of forms such as facts, rules and case examples about successful business practices.

For example, data about sales transaction may be accumulated and stored in a sales database for subsequent processing that yield daily, weekly and monthly sales analysis report for management. Knowledge based is used by knowledge

management system and experts system to share knowledge and give expert advice on specific subjects.

2.7.5 Network Resources:-

Telecommunication network like internet and extranets have become essential to successful operation of all types of organizations and their computer base information system. Telecommunication networks consist of computer, communication process and other devices interconnected by communication media and controlled by communications software. The concept of network resources emphasizes that communications networks are a fundamental resources components of all information systems.

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Course 1      Course 2      Course 3




Subject 1   Subject 2   Subject 3   Subject 4   Subject 4
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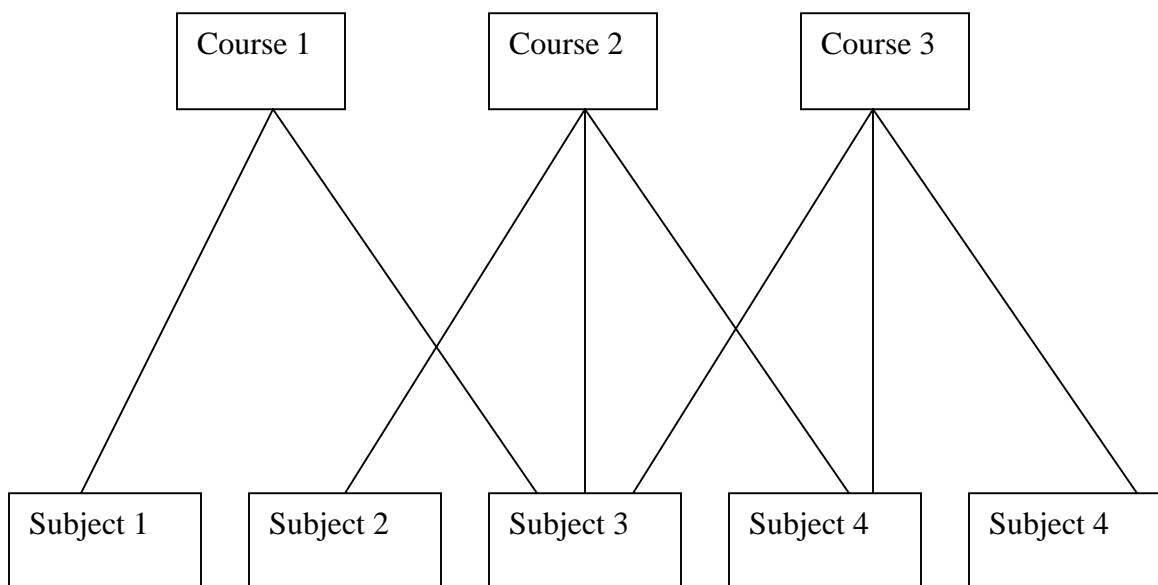
Network Data Model

Figure: 2.13

A network resource includes:

Communication media: - Communication media provide the physical path which data or signal can be transmitted from one point one to another. The signal

transmitted from one device to another is through electromagnetic signals. Electromagnetic signal include voice, radio waves, infrared light, power, ultraviolet rays etc. These signal travel through vacuum, air, cables, fiber optic cable and other transmission media. Transmission media can be divided in to two types, they are

[i] Guided media or wired communication

[ii] Unguided media or wireless Communication

Network support: - This generic category includes all the people, hardware, software and resources that directly support the operation and use of a communications network. Example includes communication processors such as modems and internet work processors and communication control software such as network operating system and internet browser package.

2.8- Review of case studies related with MIS and Bank.
2.8.1 Review of case studies from different books:-

During the 1970's Citicorp rose to a number 1 rank in retail banking, pioneering in information technology innovation such as ATM machine. Citicorp was often cited as a shining example of a company that used information system strategically to create a competitive edge.

Kenneth C. Loudon & Jane P. Loudon (Loudon & Loudon 1994) has conducted the case study of Citicorp. In this case study, they have tried to study about Citicorp that how Citicorp came out from different problems by using various information technologies as on MIS tools. A summary of this case study is as follows.

Twenty years later, Citicorp found it self with large losses, strapped by bad loans and massive layoffs. It s status had dropped to the second tier in the global Banking market. These bad loans continued to mount .In the fall of 1992, 7 percent of Citicorp's loans were reported as either delinquent or so troubled that full repayment was unlikely, giving Citicorp the eight–worst record among the 50 largest U.S. banking firms. The delinquency rate on Citicorp's mortgage loans was four times the national average.

Citicorp launched a $1.5 billion cost reduction campaign and tried to improve its financial position by unloading assets. Citicorp has purchased Traditional Technology to develop the hardware and software for its pioneering ATM system. These ware an instant success .Citicorp's push into consumer banking added to Citicorp's revenue because more customers did more transaction with the bank while competitors installed ATM primarily to reduce costs, citi used ATM's to attract more customers .An average of 75 percent of citi's customers prefers the ATM machine to human tellers, compared to 43 percent at other banks.

Citi also introduced the Quotron System. Quotron was the Market–Leading computerized stock –quotation system . city had again faced a new problem that a new system , Automatic Data processing (ADP) was introduced by his rival . Quotron fell to the number 2 position in stock quotation data, with only 60000 terminals, while ADP grew to 70000 terminals.

Shortly after acquiring Quotron, citi launched reward America, a point-of-sale business that tried to create new products and service for retail and travel industries by capturing market data at the cash register. Hoping to reduce costs and reassert management control, citi is consolidation its computer center and networks. It hopes to save $100 million annually by consolidation its 100 plus networks in to a single Global information Network.

2. 8.2 Review of Master's Degree Thesis:-

Shrestha Prem Shanker, 2056, Paush in "Management information system", banking prabarndhan, emphasized on the necessity of systematic information system for every organization, industries academy and offices to get the right information at the right time. He pointed out the functions of systematic information system are as follows.

1. To receive right information
2. To receive the information at right place at right time

3. There should be a mutual understanding and belief between two parties i.e. receiver and giver.

4. The word having dual meaning and making confusion should not be used.

5. Information should not be exaggerated.

After determining the objective of a business organization a reliable flow of information is most necessary to implement it. Information is flowing upward, downward and horizontal in organizational structure. Various information in various time are being received so, it is difficult task to decide the nature of information, to impact, its usefulness, and its usefulness. It's priority whether it is importance or not etc. it can help a lot for the prosperity of organization if thousands of information are adjusted through well managed information system.

Information system is very important for an individual or an organization. The top level can reform the policy only by knowing about policy undertaken by organization, their result through implementation their success and failure, weakness and the ways to improve them. So, it is better to develop reliable Science management information system for organization. The development of the organization is possible only by the taking the suggestion seriously and following them honestly.

Dhungana Priya Darshan, (monthly publication of ADBN) 2057, paush, Vol. 25, in the article "Management Information System: an overview" in bank samachar, defines MIS as the group of techniques of systematic and regular collection and presentation of information for best business decision. MIS can be taken as the guidelines of an organization because managerial decisions are made on the basis of timely reported information on this system. He emphasized on the establishment of advanced information system to collect, analyzes and presents data in time.

As the information identifies and defines the problems and shows the ways of long term solution, each organization needs a reliable information system in each

level of analysis plan formulation and control. Management is the decision making level so it seeks various information about customers, competitors, financial environment and other factors before they made decision. Lately received information has to value for managerial decision. So it is necessary to systematic flow of reliable and proper information in each level like strategy formulation, implementation, control and re-planning in managerial cycle. Effectiveness of MIS is reflected by providing and utilizing of accurate and relevant information.

The writer further suggested that ADBN should established MIS sub-system in different supervision offices to study the position of competition and to analyze and investigate their impact towards the bank. This helps ADBN to cope with such environment and to make further strategy for its prosperity. Even competitors are not so strong now but this condition does not remain forever so, the bank should evaluate the further effect caused by competitions and should enhance its competitive strength to make its future better.

Panta Yogeshwor, (monthly publication of ADBN) Kartik 2058, in his article "Computerize System for Efficient MIS: its present position and future plan", in bank samachar has states if the banking organization is able to provide the reliable information and data as per requirement after collecting, processing and analyzing that can address various aspect of banking transaction it will be great help for policy making and program implementation. The MIS is making efforts to inform the management with the various data and financial indicators by making existing information system efficient. For this, banking organization should make additional effort to use computer excessively. The writer further suggested ADBN to increase the qualified technical manpower to fulfill the current demand. The writer also suggests increasing the existing resources to meet the constantly increasing demand of computer service in field office.With reference to review of article published in the Rising Nepal entitled Importance of MIS the greatest achievement of the last century is computer. It seems that use of computer is simply an unimaginable. A

work, which takes many days to finish can be accomplished in a few minutes with the help of computer and other information technology gadgets is slowly coming of age in our country.

The primary function of MIS is to provide accurate, timely and relevant information needed for efficient decision making by the manager in an organization. Information has always been a valuable resource in personal corporate and social level respective of the level of development meaning full and interrupted information is the output of the system. So for this MIS come into exist. So that MIS is one of the major, computer based information system.

MIS pioneer Joes D. Aron of IBM defined MIS in 1969 as an information system, which provides the managers with that information he/she needs to make a decision.

The article further stressed, there must be one MIS department in every government office to take right decision in right time for effective management of an organization.

Similarly while reviewing the literature regarding information system entitled "Human Resource Management Information System" states that-

"Human resource management is concerned with "people" dimension in management since every organization is made up of people acquiring their service, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true regarding the types of organization whether profit or non-profit motivated, public or private."

Human resource management information system is full featured software developed by professional computer system. The objective of developing human resource information system is to help organization for better utilization of human resource to maximize organizational effectiveness. Organization can make use of their human resource optimally by better planning, organization and control of the

human resource elements. It also provides equal opportunity with regard to recurring posting and career development to all the employees. It also helps the management in making the right decision in selecting staff, promotion and training as per the rules and regulations of the company.

Mr. Pradhan Yadav (1986:54-55) "**A study on micro computers and computerization in Nepal**" have major finding as following;

There is an increasing trend and good scope for the use of micro computers in Nepal. It is estimated that the total micro computers at the end of 1986 will be approximately 610. The Apple Mac Computer has taken a good portion of market share from the very beginning but it is estimated that IBM computers are going to be in number one position by 1987.

1. Micro computer users are mostly business organization, foreign projects, foreign organization, Government offices and corporations in Nepal.

2. After the introduction of microcomputer in the organization, the average productivity has gone up to 51.5% in a particular field. A quite good numbers of users have said that there is no effect because they have not been able to use it due to lack of training or technical or administrative problems.

3. The computer users' motivation towards computerization using micro computers was due to the growing need of the organization and the low cost of micro computers. Thus they are not buying it as a fashion.

4. The micro computer users/operators are trained for an average of 2032 months only. About 81.2% users/operators think they need further training to carry out their jobs independently.

5. There are 36 varieties of micro computers available in the country ranging from very popular brand names to newly introduced computer and some compatibles.

6. The computer user has procured their micro computer considering mainly its price, brand name and availability.

7. The major field of computer application by NCC to its customers are mainly,

- account and banking
- education
- engineering
- house hold use
- health
- agriculture and land
- population and others

8. The micro computer is used in a daily average of 5.25 hrs. Most of the microcomputers are being used for the following major tasks:

- Word processing
- Spreadsheet
- Accounting
- Statistical analysis
- Software development

9. Most of the micro computers have problem of power failure and diskette problem and losing data. The other type of major problems is reliable maintenance and repair services.

Mr. Shambhu Kumar Thapa in his Master Degree thesis **"MIS and the role of NCC in meeting the needs of Nepalese managers"** in 1988, has found the following major things.

- The most considerable point here is that NCC's role is ever increasing number of users, and complex fields of computerization. It means that the NCC's role in Nepal is unlimited because of management complexities. That's the reason why NCC will have to be running beyond the data processing task.

) The trend of management complexities and fields to be computerized indicates that the present computer system cannot fulfill the necessities and more powerful systems should be installed in Nepal.

) Mostly, difficulties with the present system have occurred not only because of inadequate computer capacity and facilities. So, a powerful computer system has to be installed in Nepal.

) Most of existing problems have been found to be removed by installation of 4th generation computer based upon the NCC's evaluation.

) By the NCC's suggestion, it has also been found that the NCC has helped the user's organization reduce time and cost "to a large extent". This is proved by ever increasing demand for computerization from the regular and new users. As a result, NCC has also to go for a more powerful and versatile computer system installation in Nepal.

Mr. Joshi Neeru Baba in his study **"Management Information System in Nepalese bank a study of Rastriya Banijya Bank"** in 2000, has made his thesis for the following objectives,

) To highlight the financial system in Nepal

) To highlight the banking system in Nepal

) To highlight the management information system in Nepalese bank

) To highlight the importance of information and data.

) To identify the problem areas regarding the collection and managing information.

) To provide useful system of collecting data and information

The research is mainly based on the secondary data/information and the study has also tried to give a real picture of management information system in Rastriya Banijya Bank.

⟩ The study gives conclusion that the effectiveness of information system depends on competence of information system reflects the transaction carried out and also has to determine the liquidity and solvency of the bank.

⟩ The role of information system has expended and has become more challenging over the years because of rapid changes and innovation in banking system. On the whole, the information providers and receivers should maintain the highest level of professionalism and integrity.

Mr. Neupane Durga Prasad in his thesis **"Management Information System A significant tool for effective management of an organization**, A case study of Royal Nepal air line corporation(2002) has made his study to know the following objectives.

⟩ To study the practical and theoretical aspect of management information system.

⟩ To examine practice of maintaining information system in RNAC.

⟩ To study the existing information system/flow of information system in different departments, especially in personnel and general service department of RNAC.

⟩ To study existing decision making process of management system and management process of the organization.

And his study's major findings are,

⟩ There is lack of effective use of micro computer in each and very organizational function of the organization.

⟩ Network based information system is the first requirement of the organization to maintain the modern information system and management information system instead of traditional paper based information system.

⟩ Centralization of authority, over staffing, political influences, lack of effective management and corruption are the major problems for the organizational effectiveness and growth.

⟩ Computerization plays a vital role in progress and growth of an organization since information is an important resources of modern management.

Mr. Bhattarai Ajit Prasad, in his thesis **"performance of MIS in Kumari Bank"** in 2003 was tried to find the following major factors.

⟩ To identify the major factors affecting performance of MIS.

⟩ To examine the existing situation of software personnel of the bank.

⟩ To study the relation of training of end users in the bank for improvement of the performance of MIS.

And he found following major factors,

⟩ Majority of the users of MIS consider MIS to be important.

⟩ Majority of the users of MIS consider that MIS helps in decision making.

⟩ MIS is fulfilling the information needs of the users to different degrees of satisfaction. Higher management is less satisfied than the middle level management.

⟩ The factors which will improve the utilization of MIS are good communication channel, training to end users and training to software personnel.

Mr. Acharya Ishwor carried out a study on **"Implementation of MIS in RNAC** – A case study in marketing Department" in 2002, conducted that:

⟩The implementation of MIS is necessary for the effectiveness of the department

⟩The complex organizational structure and multidivisional structure of the marketing department is ambiguous, it is necessary to made clear.

⟩The department needs network based computerized information system to eliminate the drawback generated by paper based information system and traditional way of centralizing the information and authority.

) Need for proper infrastructure for the implementation of MIS in the department.

Based on the above conclusions, Acharya gave the following recommendations:

) Should train and develop the capability of human resource to handle sophisticated equipments regarding information technology.

) Should maintain necessary infrastructure for implementation of MIS in the department.

) The management of RNAC must be committed to strictly implement policies, rules and regulation of RNAC to avoid to unnecessary political pressure.

) Should Implement the network based computerized information system

Achrya carried out the study with the following objectives:

1. TO present and analyze existing information system (IS) of marketing department of RNAC

2. To examine the flow of information to co-ordinate and communicate different divisions and units of marketing information.

The study was carried by using following methodology:

Data collection – data was collected from both primary and secondary sources. Observations, questionnaire, interview were the tools used to collect data from the primary sources while data of different departments of RNAC, journals, news letters were the secondary sources of information.

Tables and figures, system approach, data flow diagram, flow chart were used to present the data in the study and percentage used to analyzed to analyze the data.

Mr. Karki Prem Bahadur in his thesis "**A study on health management information system in Nepal"** in 2003 defines MIS as a tool that collects process and analyzes of the internal data that needs to be used in the managerial process of planning direction, decision making, and supervision and performance review of an organization. He used primary and secondary sources of data to achieve the objective of the study. His research study is exploratory and descriptive in nature.

The general objective of his study is to explore the existing structure of the HMIS and to expose it all the health policy makers and different levels health managers for improving the quality and efficiency of health care management. In his study he found that,

) The HMIS has still not systematically incorporated the service statistics from the country's hospitals, nursing homes, private clinics and NGOs. In such an instance HMIS data shows considerably low incidence of diseases and low coverage of service performance as against actual.

) The HMIS is a place in the department of health service to strength quality and efficient health management. There is a process for collecting, processing, storing and disseminating data and information.

) The integrated HMIS was developed by eliminating vertical reporting system of the individual program divisions within department of health service. The conceptual framework of the HMIS is to collect process and disseminate data upon the requirements of the different divisions through one place.

) It was noted from the review of HMIS reports that almost 100% of the reports from all 75 DHOs were received at MIS section. However, the reporting status of the PHCs, HPs, SHPs and community health volunteers is considerable low but it is increasing trend.

) The major problem controlling senior officials of section is lack of timeliness of the data. HMIS has been using traditional mailing system; there are long delay in sending reports from rural based health delivery outlets to the DHOs and compiling and tallying data at DHOs.

) About 33% of the HMIS reports had at least one or more error. The reason reported that the HMIS training were not conducted according to the guidelines provided by the MIS section.

) The technical as well as financial support for design, from UNFPA, USAID and GIZ. The government has just started allocating small poison of budget

for lunching HMIS activities from fiscal year 2053/54. However, most of the governments staffs have not yet developed their skills handle HMIS activities fully to replace extended support.

ʃ The analysis speed of the HMIS is higher as compared to the other health information and provides fresh data by district regional and national as a whole. In the process of data recording service provider do not get tried to administer the data collection tools and form. Therefore it is free non-response and sampling errors.

ʃ The weakness of the HMIS include it does not measure the gap between knowledge, attitude and practice (KPA). The validity of the data in the routine health statistics depends on the diagnostic, record keeping and reporting skill. There is a chance of double counting and duplication as well as same cases and magnitude of errors may be higher due to the large volume of data to be compiled at different levels.

ʃ The HMIS database planning and monitoring process is still not institutionalized. However, guidelines for the bottom up planning process are being developed with the technical as well as financial support from UNEPA.

Asim Lamsal (Lamsal, A., 2003) has conducted a study in the topic *"Information system Design- A case Study of Agriculture Development Bank of Nepal".* He has tried to study about the information system that how it will help to know the situation of the units of the bank and how it help to rise the overall performance of the bank. He has made an attempt to study to analyze and design the information system and flow of information with data into various divisions for the decision making process in ADB and he has recommended implementing practical and real benefit of application of MIS in the bank.

REASEARCH METHODOLOGY

The chapter mainly deals with the research methodology research. Research is a continuous process, it never ends. the procedure and the findings may change but research continues process, in literature review research takes hints from past dissertation but he or she should take need of replication . It is a vital and mandatory process in research work. A research methodology is a systematic way to solve the research problem. The research methodology refers to the various steps to be adopted by researcher in studying a problem with certain object in view.

Research may be defined as the systematic and objectives analysis and recording of controlled observations that may lead to the developments of generalization, principles, or theories resulting in prediction and possibility ultimate control of events. Research is a systematic and organized effort to investigate a specific problem that needs a solution (Serkan, 1992). This process of investigation involves a series of well-thought out activities of gathering, recording, analyzing and interpreting the data with the purpose of finding answers to the problem. Thus, the entire process by which we attempt to solve problems or search the answers to questions is called research (Wolff and Pant: 2002:4).
Research means to research the problems again and again to find out something more about the problem (C.R. Kothari, R.M. Methods and techniques II edition, 1999:10)

This chapter describes research methodology adopted for the study. This chapter contains a brief description of the research design, the population and the sample, sampling procedure the data collecting procedure and methods of data analysis.

3.1 Research Design:

Research design is the way to define the research problems. A research design is the arrangement of conditions for collection and analysis of detain a manner that aims to combine relevance to the research purpose which economic in procedure. Research design refers to the plant, structure or strategy conceived by the researcher that will answer the research question and to controls variance. In other words research design is the conceptual framework created by the researchers with in the research will be conduct and will obtain the answer to research question. In research design the plant in overall scheme or program of the research. It include, an outline of what the investigators will do form writing hypotheses and their operational implication to the final analysis of data the structure of the research is more specific. It is the outline, the scheme, the paradigm of the variables.

Descriptive research is a fact finding operation searching for adequate information. Being a case study in nature, research is mainly based on primary data and information, which are obtained from questioner, observation interview and other sources. The needed information and data are obtained from NIBL and secondary sources also. The study is deal on how the banking system of NIBL is and what is the result after implementation the MIS. Unstructured personal interview with personnel of the bank will be observed for the study structure with view to making suggestion for improving its quality and efficiency. Keeping in the view the nature of study, exploratory research design is more appropriate because it implies to find out strengths and weakness of the existing MIS. In the compliance with the objective of the research, descriptive and analytical research design is followed in order to analyze and interpret the available data and information for the purpose of comparison to fulfill the objective of research.

3.2 Nature and sources of Data:

To fulfill the objectives of the study both primary and secondary data are used. Primary data are collected through observation, formal & informal discussions, questioner and interview with staffs. The secondary data are collected from the published and unpublished reports and periodicals of NIBL. The data verification, data entry, cross checking and report generation processes are also observed by the teacher who is assigned to check and to instruct while preparing the thesis during the survey period. Formal & informal suggestions of my respected teachers and my dear friends are also included in this thesis.

Types of data
The report is based on two sources of data, which are -

Primary data: Visited the bank in order to have an acquaintance with different aspects of the bank. Met with the banking people and had direct contact with them for relevant information. Conducted several interview with the appointed person of the respected field.

Secondary data: Different publications of the bank like financial and economic journals, annual report, newspapers, reports, 'Upahaar' the monthly magazine, bulletins etc. Study conducted in organization structure and its working environment. Literature review in banking and other related topics. Review of earlier work.

Since this research is based on both primary and secondary data, the relevant data and information are taken from different as described below:

- ʃ Collected relevant data and information related to the study, Questionnaire & Direct observation
- ʃ Inquiries have been made with the associated bank officials in order to collect primary data.
- ʃ Detail study of articles and reports written about NIBL.

〉 Through internet

〉 News papers

3.3 Population and Sampling:

A population in most studies usually consists of a large group & people, event or objects. Because of its large size it is fairly difficult to collect detailed information from each member of the population. Rather than collecting information from each member a sub group is chosen which is believed to be representative of population. This sub group is called sample and the method of choosing this sub group is done by sampling.

Since, the research design is descriptive as well as quantitative in nature, exact number of sampling units cannot be determined. The reports and records received from regional and banking office and overall activities and performances are taken as population and sampling.

The term 'population' universe for researchers means all the number of any well defined class of people, event or objectives. In this research work the population for the research work is the total staff of the bank (i.e. the staff of NIBL in Bhairahawa).

3.4 Method of Information Collection:

Depending upon the nature of the organization tasks and objective the collection method of information is selected. The method and design of information collection decides the quality of information.

Following methods have been used to collect primary data and information which are explained below.

1. Observation Method:-

Observation method is more direct way of gathering data and informations from a particular field, area or event. It's one of the best ways for researchers to get

the real data and information. In this method, the information collector directly observes the situation and makes a list about the real phenomenon. In this method to know information about customer whether they like tea or coffee, the researcher/investigator does not ask him but examine it. During the period of study the researcher has frequently visited the regional and banking office of Bhairahawa and observed different departments to in how much content they are getting benefit by using management information system.

2. Interview method:-

This method is suitable when someone needs information very quick because here questions are asked to people in direct way. It is only the method allowing the researcher to ask questions which will enable them to answer research questions.

In the process of getting information for the study, formal and informal interviews have been conducted with different employees of the MIS section of the bank.

3. Questionnaire method:-

During the course of research study, different questionnaires have been designed as per the requirement of the research study. All the questions which have been designed to collect data and information are listed in appendix 1 of this research. The list of questionnaires has been distributed to the different level staffs of the organization and taken their opinions to prepare the research.

4. Publications: -

In term of secondary data collection, the information is received from the different publications of reports and periodicals the banks over a different time.

3.5 Method of Analysis:

This study is mainly based on information system of the bank. However, quantitative data (financial data) are also presented for the data analysis as secondary data. After collection of sufficient data and information from observation,

interview and other sources are presented in Tables and figures, System approach, documentation of information flow of banking system

- Table and figures:

A Table is a presentation of data in columns and row form. Typically tables are used to present the data and information to make the content clear whereas the term figure usually includes graphs, map, drawing and chart.

- System Approach:

A system is a group of element or component joined together to fulfill certain function. In a large context a system is an assemblage procedures, process, method, routine techniques. A system diagram has three basic interacting components. They are:-   - Input

- Process

- Output

- Feedback

- Control

- System Boundary

Input involves capturing and assembling elements that enter the system to be processed.

Process involves a transformation that converts the inputs into output.

Output involves transferring elements that have been produced by the transformation process to their ultimate destination.

Feedback is data about the performance of a system.

Control is a major system function that monitors and evaluates feedback.

System boundary does not exist in a vacuum rather it exists and function is an environment containing other systems. If a system is one of the components of a large system, it is called a sub system and the larger system is its environment and other system by its system boundary.

DATA PRESENTATION & ANALYSIS

In order to achieve the objectives as set out in the chapter one of this report, the study is carried out and accordance to the given research methodology as per chapter 3rd, the data are presented and analyzed in this section of this report this is the vital part of this report as it helps to conclude the study through the major finding and with recommendations.

4.1 General Background:

A sound banking system with wide spread of branches throughout the county, availing varieties of banking services to fulfill commerce, trade industry and agriculture need of the country, is of crucial importance for Nepal.

Following the amendment of the Commercial Bank Act 1947, the banking sector saw mushrooming of banks especially in the urban areas. Lately, the people have been receiving banking service from quite a number of banks. The establishment of the Nepal Investment Bank has given an impetus to the development of the financial sector through the expansion of the country's banking and financial sectors. Nepal Investment bank limited, previously Nepal Indosuez bank limited, was established in 1986 as a joint venture between Nepalese and French partners. The French partner (holding 50% of capital of NIBL) was Credit Agricole Indosuez, a subsidiary of one the largest banking group in the world. With the decision of credit Agricole Indosuez to divest, a group of companies comprising of bankers professionals, industrialists and businessmen, has acquire on April 2002 the 50% shareholding of credit Agricole Indosuez in Nepal Ltd. The name of the bank has changed to Nepal investment bank limited. Upon approval of bank`s annual general meeting, Nepal rastra bank, the apex bank of the country and the company registrar`s office with the following share holding structure: A group of

companies holding 50% of the capital, Rastriya banijya bank holding 15% of the capital, Rastriya bema sansthan the same percentage, The remaining 20% being held by the general public (which means that NIBL is a company listed on the Nepal stock exchange).

In addition, various finance companies, co-operatives, non-governmental organization (NGO's) and development banks like Nepal Industrial Development Corporation (NIDC), Agriculture Development Bank (ADB) and Rural Development Bank (RDB) are also in existence. Despite this banking expansion, the rural sector is still deprived of banking service. The Nepal Investment Bank has been expanding its branches in the remotest areas of the country. It has been providing commercial services to the remote sectors.

In the light of the very facts, as commercial bank is the backbone of the economy, it is highly useful to make the present study on Nepal Investment Bank Limited. Moreover, this study is felt needed as, in my opinion to know the MIS of the bank, help to strategic and end user decision making and also know the other banking services providing to the people with help of MIS. One advantage behind this study also lies in the fact that it helps in bringing into notice the lacks of deficiencies that has to accomplish by the bank.

Nepal Investment Bank Limited (NIBL), operating under the guidelines set by The Government of Nepal and Nepal Rastra Bank (the Central Bank of Nepal), offers one of the safest and the most secured means of money transfer to Nepal. Remitters can send money to NIBL from any part of the globe through our correspondent banks, exchange houses and banks in the Middle East and using Prithivi Express, our in-house remittance software. NIBL offers fast and reliable money transfer services through SWIFT. Bank account with NIBL can be credited with remittance from anywhere in the world. The remitter has to mention the NIBL's SWIFT Address "NIBLNPKT" and the beneficiary details to transfer money to Nepal through NIBL. NIBL cater the need of customers to remit fund anywhere in

the world, denominated in major currencies, through SWIFT. NIBL have draft drawing arrangement with NIBL correspondent banks in different countries. NIBL honour bank drafts drawn on/by various international banks denominated in major currencies like US Dollar, Euro, Great Britain Pound, etc. NIBL offers "American Express Traveller's Cheque" that is accepted worldwide. NIBL provides Cash Management Services in Nepal. Bank will help client to collect their bills receivables more efficiently if they are engaged in exporting goods to India. They can enrol there selves for the service and provide details of their buyer in India. NIBL correspondent bank in India will collect cheque from their buyer and credit their account in a shorter time through NIBL.

NIBL is the authorized agent of leading remittance companies of the world such as:

1. Xpress Money Services - UAE
2. UAE Exchange Centre - UAE
3. Oman Exchange - Kuwait
4. Wall Street Exchange - UAE
5. Alukkas Exchange - UAE
6. ARY Speed Remit - UAE
7. Emirates & East India Exchange - UAE
8. Al Ahalia Exchange - UAE
9. Habib Exchange - UAE
10. Instant Cash - UAE
11. Gulf Exchange - Qatar
12. City Exchange - Qatar
13. Doha Bank - Qatar
14. Malayan Banking Berhad (Maybank) - Malaysia
15. Arab National Bank - Saudi Arabia
16. Travelex Money Transfer - Europe
17. Al Ghurair Exchange - UAE
18. Global Money Transfers - Israel
19. Bank Albilad - Saudi Arabia
20. Western Union (Annapurna Travels)

NIBL branches within the Kathmandu valley work all 365 days a year. Apart from our 27 branches, NIBL have 116 remittance agents in different areas of Nepal. Management team of NIBL can shows in following table.

Chairman/Chief Executive Director		
Company Secretary		
General Manager		
Assistant General Manager Putalisadak Branch	Assistant General Manager Information Technology	Assistant General Manager Credit Quality Control
Head Corporate Banking	Head Trade Finance	Retail Banking
Head Legal	Loan Administration	Head Operation
Head Branch Co-ordination Cell	Head Cards & Remitance	Head Accounts & Treasury
Head Cash & Transfer	Head Reconciliation	Head Human Resource
Head Credit Administration	Head Internal Audit and Compliance	General Service
Head Research & Development	Branch Manager Newroad Branch	Branch Manager Pulchowk Branch
Branch Manager Birjung Branch	Branch Manager Pokhara Branch	Branch Manager Seepadole Branch
Branch Manager Butwal Branch	Branch Manager Jeetpur Branch	Branch Manager Narayangarh
Branch Manager Banepa Branch	Branch Manager Janakpur Branch	Branch Manager Biratnagar Branch
Branch Manager Bhairahawa Branch	Branch Manager Kalimati Branch	Branch Manager Nepalgunj Branch
Branch Manager Thamel Branch	Branch Manager Dhangadi Branch	Branch Manager Birtamod Branch
Branch Manager Battisputali Branch	Branch Manager Surkhet Branch	Branch Manager Gongabu Branch
Branch Manager Jumla Branch	Branch Manager Boudha	Branch Manager Hetauda
Branch Manager Palpa	Branch Manager Lukla	

Management team of NIBL

Figure: 4.01(Sources: www.nibl.com.)

4.1.1 Strategic Objective NIBL:

⌡ To develop a customer oriented services culture with special emphasis on customer care and convenience.

⌡ To increase our market share by following a disciplined growth strategy.

) To leverage our technology platform and open scalable systems to achieve cost effective operations efficient MIS, improved delivery capability and high services standards.

) To develop innovative products and services that attracts our targeted customer and market segment.

) To continue to develop product and services that reduces our cost of funds.

) Many high quality asset portfolios achieve strong and sustainable returns and to continuously build shareholders value.

) To explore new avenues for growth and profitability.

4.1.2 Mission of NIBL:

To be the leading Nepali Bank, delivering world class service through the blending of stat-of-the art technology and visionary management in partnership with competent and committed staff, to achieve sound financial health with sustainable value addition to all our stakeholders. We are committed to do this mission while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. NIBL Vision is to be the most preferred provider of Financial Services in Nepal.

4.2 System view of NIBL:

The major goal of system is to process the input and bring the output to obtain its goal. The output must be as per the expectation of the intended user. While analyzing of the NIBL, It is observed as following.

In this figure it is know that the bank is an open system because it interacts with the environment. The system components are as follows.

[a] **Input :-** A system feeds on input to produces output after processing . The inputs in NIBL system are Human resources money and information. The information is an input which after processing becomes a vital element for management decision making.

[b] Processing: The processing of the elements of system that involves the actual transformation of input to the output. It is an operational component in any system .Here different policy, rules & regulations play the vital role. Here the input data are processed in the prescribed format.
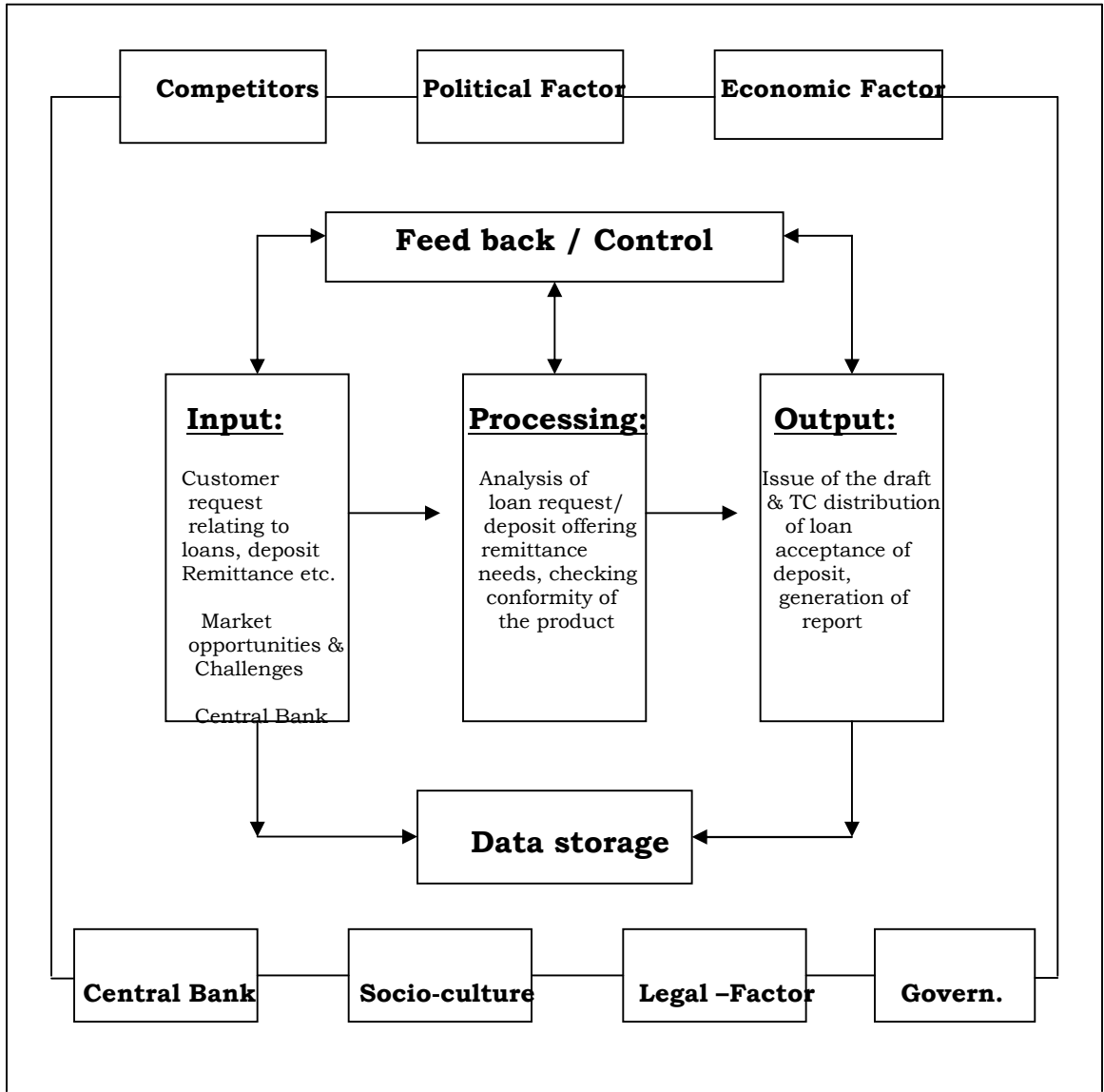
System view of NIBL
Figure: 4.02
Sources: Field visit

[c] Output: - It is the product of the input after further processing the major output in NIBL is the Issue of the draft & TC distribution of loan acceptance of deposit generation of report etc.

[d] Feedback: -Feedback measure output the standard set by the bank. In NIBL feedback system moves from upward to downward. If any inconsistence and deviation is found the upper level management sends back to the concerned authority and again the processed as an input after necessary amendments.

[e] Environment: - Every business is performed in the environment which can be internal or external. As shown in the figure external environment consisting of competitors, economic, social–cultural factor, clients, Fiscal policy, Nepal central Bank, government etc.

4.3 Existing Information System:

Large quantities of data can be processed quickly and with a high degree of accuracy by use of computers so today the computer plays the role in the data processing and analysis. When data are stored in computer they are accessible within moments and can be arranged and stored as per the requirements of the users. With the aid of computers, large amount of raw data can also be quickly analyzed using sophisticated approaches which can filter information and present it in a form specifically tailored to the needs of decision makers.

Intranet is used for holding the task effectively and efficient in NIBL, there are different levels of management: top, middle and lower: objective of intranet is to meet the latest information and data as prompt as possible to the right person along with security requirements. Top level management deals with strategic planning and goals setting. Middle level management deals with decision making, problem solving and monitoring, achieving bank goal according to pre determined goals and strategy. Lower operation management deals with the day to day task and activities

for the achievement of the goal. Since the effective use of MIS is to satisfy the information needs of people in and outside the organization. Intranet is very essential in the organization to communicate with the required person and transfer the data needed to the right person in right time.

Intranet is a system to competing computers which works like internet and which enables people within an organization to communicate with each other and share information, information system uses the resources of people, hardware, software, data & network to perform input processing output storage and control activities that convert data resources into information product.
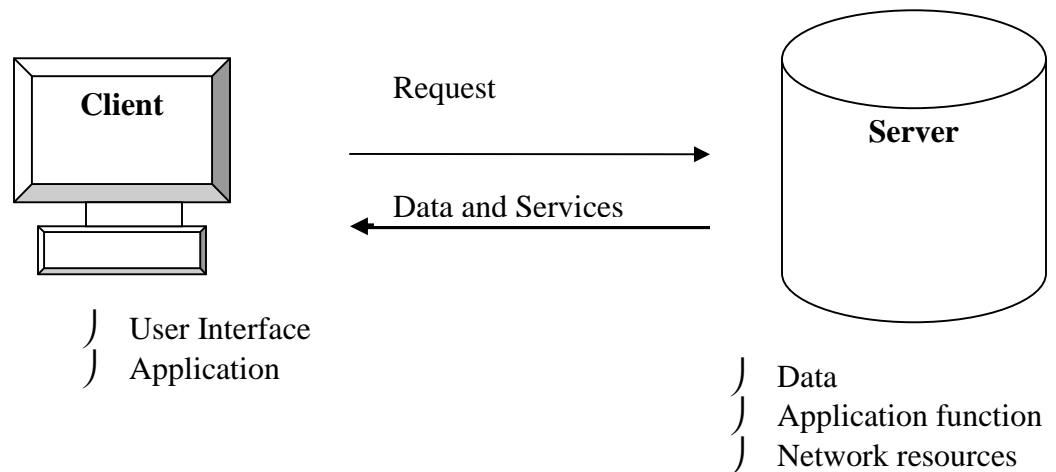
Client Server model

Figure: 4.03

In the figure the client server models is shown. With this system, there are a few servers that contain the majority of data for the bank. The entire task of processing is divided in such a manner that there is demand on the system through a client and there is a server in the system to serve this demand. The architecture has to component, client and server. Where client makes a request and server ham processes the request and servers the client by offering the result.

All the branches are connected through MAN, LAN & Intranet. User can generate data from owns branch and as well as from other branches easily. There is IT and MIS department to solve computer and data related problems. Having the qualified personnel, well equipped with modern and advance communication technology in the branches and head office, sharing & flowing of information is systematic. There is well co-ordination of proper communication between the branches with head office due to which, it is easy for the management to make the timely decisions. If the Chief executive wants to know about the total loan collected and other information then the data are to be collected from some of the branches and other different department quickly from proper Network communication. It is the short process and quick to make the prompt decision .If there is no MIS then there will be delay in reporting and taking right decision in right time.
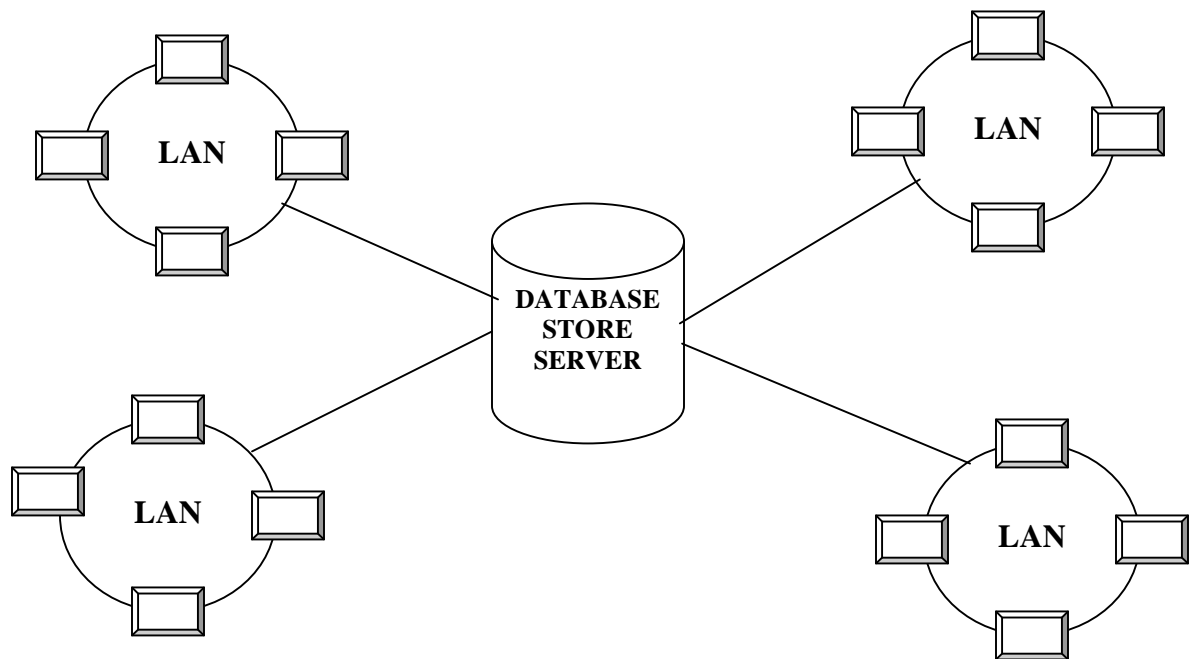
Network file server

Figure: 4.04

In NIBL with in the branch LAN (local area network) is used and also MAN (Metro area network) is installed with in all the departments, branches and other

MIS/IT section where computers are networked. There is one server for the entire computer to give uninterrupted power supply (UPS) attached with the network. All the transaction or report are kept in the data base server .All the computers are equipped with latest processor P4. The user of the specific departments share printers. IT department solves the problems of software and hardware and manage and control the Network of the bank. I found the master program "Finacle" to solve all the job of the bank. Some of the users are felling comfortable using this software but some of the users are felling difficult to operate such type of software due to fewer knowledge of computer. They had just replaced banking software "Pumori Plus" and implement "Finacle".

If there is demand of information by any of the user it is accessed through the shared network. If another branches required the information then it is fulfilled through by the on line. There is also one specific IT/MIS department the data are collected and processed by the individual users to whom the information is required. The data are gathered by the user / department as per the requirement and processed using its effective tools and technique and use of information is accordingly performed.

NIBL whole operating system is in real time banking, its software and e-Banking service is anytime, anywhere, real-time and online banking. All the information is on line that is all data are sent directly in to a computer system as soon as they into being. The data are processed and feed back to the appropriate source in sufficient time to change or control the operation environment. The bank staff received a response from the system in time to satisfy their own real time environment requirement. Common data base is use for data processing; all files are accent on random access on line file storage, out put report directed mainly to

operation level for past current and future operation. Every branch's strategic level and end users has access to generate following data: as per their requirement.

Transaction List	BG Expiry in 45 Days
Teller In Particular Branch	TR Outstanding Report
Foreign Currency Current Position	Reporting INR
Obligor List	SI Not Executed List
Financial Trail Balance	Outward Clearing transaction List
Top N Depositor/Withdrawal	Inward Clearing transaction List
Old New A/C Number	Nostro Account
Account Status for Membership Charge	Fix Deposit Maturity
Get e-banking User Name from A/c	Loan Report for Retail
Get Balance	New A/C Open
MISA Account Verification	Tran Above
Customer Trial Balance	List of Deposit Segments
Account Statement	Bills getting Matured
General Account Information	Customer Demography
Customer Details	Customer Profitability
User Transaction List	Customer Profitability Group/RM
Tran List against Trace Number	Lending and Deposit Report
Loan Trail Balance	TR Disbursement Report
Customer Introducer List Date wise	Stopping rate at particular Date
Birthday Listing of Ketaketi Bachat Khata	Loan Principal Due Report
Foreign Currency Purchase Sales Report	Dormant to Active or Active to Dormant Report
FNNESO 2 KHA	Proxy Transaction Today
Balance Details	Card Transaction Not Posted Today
DD Issue Report	NTC File send Information
GL Balances	Average balance of Account in a Period
Birthday Listing of Pariwar Bachat Khata	FCY Purchase Sale Report
Spot Sales and Purchase	Inward/Outward Remittance
NRB 2 Report	LC Outstanding Report
NTC Pension	Reports of Loan And Advances
Scheme Wise Count Till Selected Date	Teller wise/ All Transaction Wise
Scheme Wise Amount Till Selected Date	Liquidity Profile

MIS Report Table of NIBL

Table No: 4.01

Those reports help all level of decision making process and effectively operation of bank. The data are gathered and processed by the centered database and use the information as per the requirements. The information demanded by the higher authority may not be of regular types but information may be available immediately; such information is use and it effects the performance of the

organization .The decision made through there types of information may be growth of the organization.

Data quality is the main thing in the information system. If the information system is not accurate, valid, reliable and not timely then there is no meaning of collected and processing of data. Accurately collected and properly complied data helps the decision makers to decision in the best way. It the data is not collected and processed properly then the information provided through the processing does not help the management for the effective decision. The management information allows policy makers to make best decision among the alternatives.

There is a separate MIS department all the data garnered from all the branches and all the other concerned automatics and regular basis. The data are collected accurately and processed properly. The data is processed using effective tools and technique and the processed data i.e. information is provided is on regular basis or upon demand on time to the decision makers on timely so that decision are made effectively.
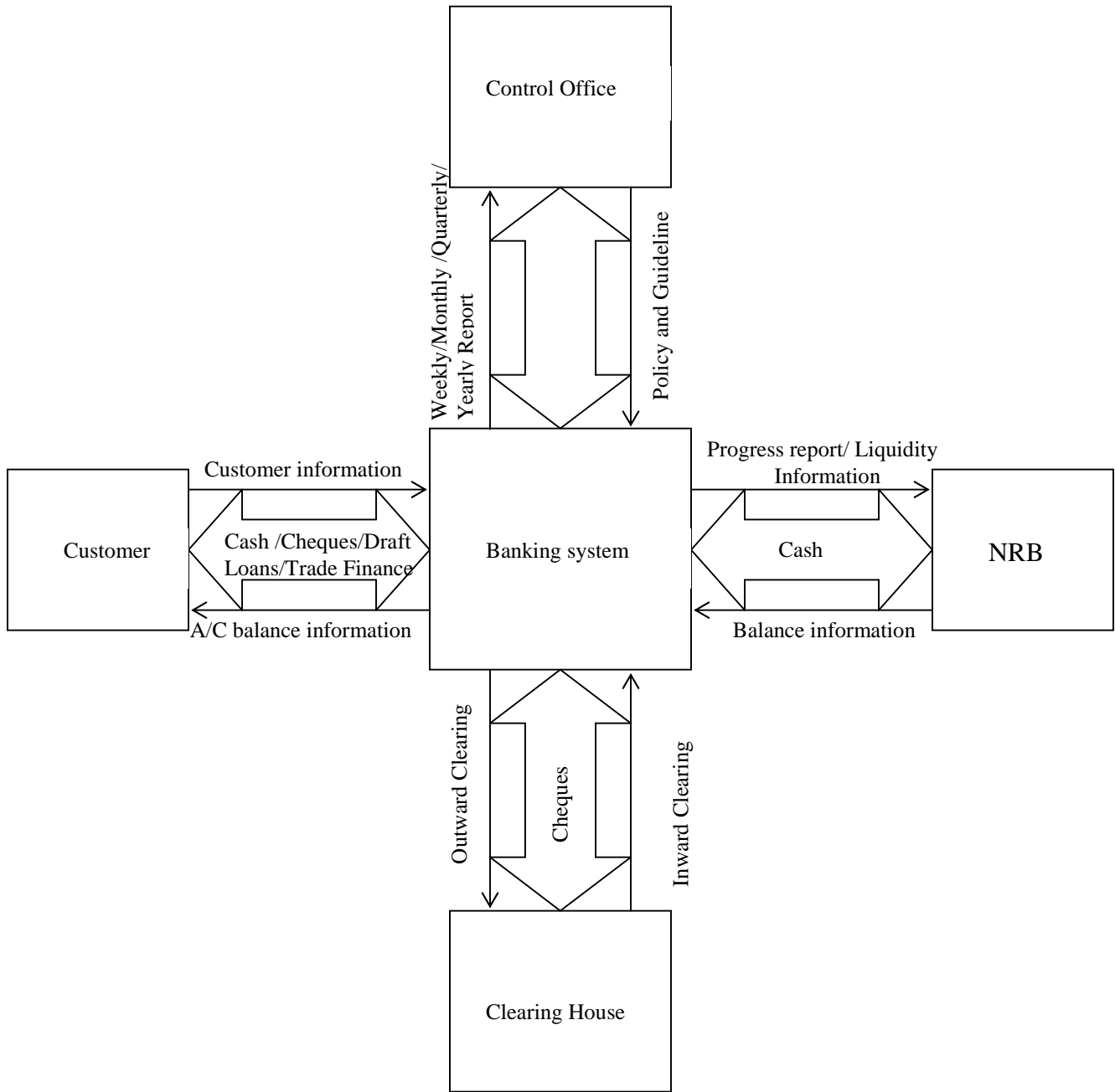
4.4 Framework of Banking System:

Control Office

Weekly/Monthly /Quarterly/ Yearly Report

Policy and Guideline

Customer information

Customer

Cash /Cheques/Draft Loans/Trade Finance

A/C balance information

Banking system

Progress report/ Liquidity Information

Cash

Balance information

NRB

Outward Clearing

Cheques

Inward Clearing

Clearing House

Figure 4.05

Sources: Field visit

The context diagram shown (Figure 4.05) on this screen represents a banking system of NIBL, Bhairahawa Branch. The bank receives the customer information and provides balance information to the customer form CSD department. The bank

is working according to the rules and regulation provided by central office and it sends the weekly/ monthly/quarterly/yearly reports to the central office. The bank deposit it's saving in NIBL and it sends the liquidity information progress information to NRB and the balance information is provided by RB to the Bank.

4.5- Flow of Information Structure of NIBL:

Successful development of information system call for a deep understanding of the structure and dynamic of the organization since organization are goal oriented, the animalist must be clear to what information needs to be collected, the information collected and processed must be consistent with the level of the organization to which it to be printed.
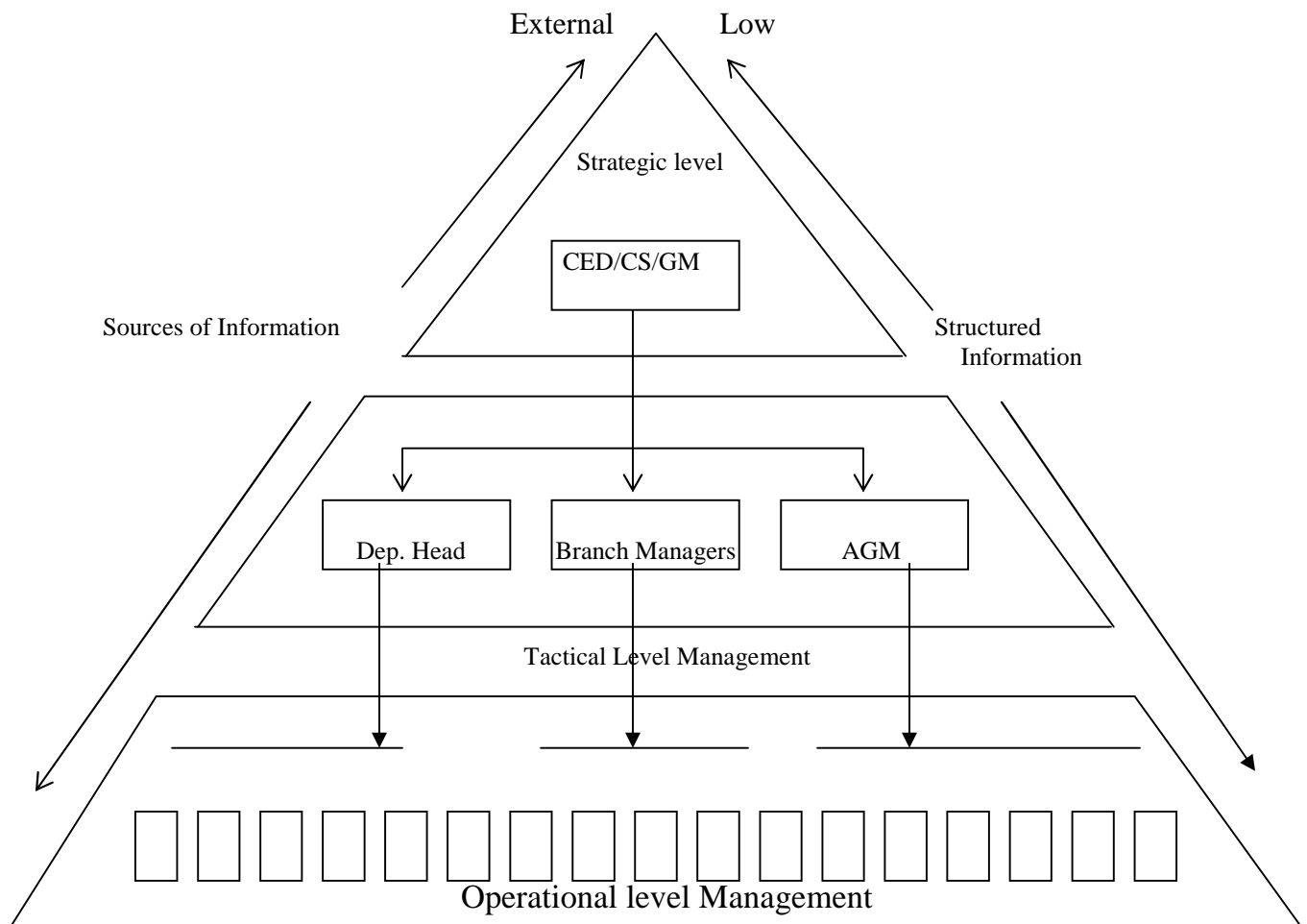
Figure No 4.06
Sources: Field visit

In a seminal work on management control system, organized management is classified in to three levels Strategic, tactical and operational (High, Moderate, Low) The levels of management don't necessarily reflect the level within hierarchy of the organization that may be the result of staffing policy seniority of a person at any point of time. This classification is based primary on the board functional classification of management function s, irrespective of the size and nature of business.

Under the classification, Operational level (End User) mainly concerted with making routine, day to day decision .These decision do not have long term implications. Must of them deal with situations about which one is fairly certain and address well structured problems, they use information largely to the organization. Operational decision generally involves large scale processing of data which is largely internal to the organization like attendance, production, daily cash flow etc. The primary attributes of success in such information processing will be accuracy and speed.

At the tactical level, however the nature of decision is quite different .Generally such decision are taken by the middle mgmt staff and these decision have medium to long-term impact. Information support for such decision needs summarized organization wide information, which is mainly internal. External information i.e. information pertaining to outside environment like competitors performance , fiscal policy changes, suppliers production and quality data and seasonal market changes also effected tactical decision . The need is for quality of information processing, and change and not merely the quantum and speed of data processing. The data needs are also different; much of the data is less structured, more uncertain, and more uncontrollable as it pertains to the environment around the system.

In the above figure 4.06 three section officers in then bank as middle level management staff. One of them controls the loan section another controls the Human Resources section and one controls internal auditing section. They take decision according to the information provided by operational level.

At the strategic level, the decisions are of different type. They are concerned with long-term business decision like diversification, technology acquisition exploring new market, change of ownership; strategic alliances with outside organization, sometimes even with arch rival competitors etc. Strategic decisions are for reaching consequence. Information support for such decision would call for mainly environment arising from the environment in which the organization operators. The information may have to be collected from multiple sources.

In the above figure, the head office is in top level mgmt .S/he makes the strategic decisions that have long-term impacts. According to the information provided by lower and middle level management. The manager takes decision like loan accept or not, new technology changes, purchase of fixed assets , find out the deficiencies in existing system and control the variances of different section. The manager controls variance by finding to reason and why the bank is not able to collect and invested money in time and recommends so subordinates to follow up.

4.6 Financial Status of NIBL.

5 Year NIBL Balance Sheet

(Rs in 000)

Assets	2060/061	2061/2062	2062/2063	2063/2064	2064/2065
Cash and Bank Balance	1,226,923	1,340,481	2,335,521	2,441,514	3,754,940
Money at Call and Short Notice/Investments	4,172,483	4,047,189	5,672,869	6,868,650	6,874,024
Loans and Advances	7,338,566	10,453,164	13,168,152	17,769,100	27,529,305
Total Fixed Assets	249,788	320,592	343,450	759,456	970,092
Other Assets	476,177	202,226	201,090	234,797	277,597
Total Assets	**13,463,937**	**16,363,652**	**21,721,082**	**28,073,517**	**39,405,958**
Liabilities					
Borrowings, Debenture and Bond	361,500	350,000	550,000	800,000	1,050,000
Deposit	11,524,680	14,254,574	18,927,306	24,488,856	34,451,726
Other Liabilities	640,269	278,796	437,392	423,866	686,853
Provision	208,440	327,108	401,944	482,673	532,652
Total Liabilities	**12,734,889**	**15,210,478**	**20,316,642**	**26,195,395**	**36,721,231**
Net Assets	**729,048**	**1,153,174**	**1,404,440**	**1,878,122**	**2,684,727**
Paid Up Capital	295,293	587,739	590,586	801,353	1,203,915
Capital of Profit	-	-	-		-
Reserve and Surplus	419,092	567,511	778,904	955,417	1,415,392
Profit and Loss	14,663	24,924	45,950	121,354	69,420
Total Shareholder fund	**729,048**	**1,180,174**	**1,415,440**	**1,878,124**	**2,688,727**
Other then balance sheet					
Guarantee Letter	946,052	1,831,665	2,656,473	2,653,473	4,102,036
Letter of Credit	2,213,553	1,816,959	3,955,491	3,955,491	5,163,487
Exchange Transaction	85,814	62,222	15,716	15,716	2,170
Other	90,322	516,792	1,738,180	1,738,180	1,812,190
Total Other then Balance sheet	**3,335,741**	**4,227,638**	**8,365,860**	**8,362,860**	**11,079,883**

Table no-4.02

The above table No 4.02 shows the volume of Annual Balance sheet of NIBL, as per the above data, in fiscal year 2060/61 to 2064/065 all the total loan and advance and total deposit are increases.

Investment Sector of NIBL Year 064/065

	063/064	064/065
		Rs in 10 million
Agriculture	15.69	14.27
Mining	0.54	-
Manufacturing	585.84	835.37
Construction	77.18	133.54
Metal Production, Machinery & Electronic Equipment	14.44	32.54
Machinery and Assemblage	0	5.12
Production and Assemble of Transportation Equipment	1.14	119.19
Transport, Communication and Public Utility	86.1	407.77
Wholesale and Retailers	326.44	279.99
Finance , Insurance and Real Estate	96.18	26.92
Services Industries	212.55	269.19
Other	360.81	629.03
Total Investment	**1,776.91**	**2,752.93**

Table no-4.03

Table no 4.03 shows the investment sector of NIBL in different sectors.NIBL is involved in investment of fund in different sectors such as Agriculture, Mining, Manufacturing, Construction, Business houses and other service providing industries. The investment made by NIBL is an aid to the development of the infrastructure and economy of the country.

5 Year NIBL Profit and Loss A/C   (Rs in 000)

Interest Income	2060/061	2061/2062	2062/2063	2063/2064	2064/2065
Loan, Borrowings & OD	663,016	769,195	964,689	1,302,122	1,907,261
Other	68,387	117,605	208,053	282,865	287,014
Interest Expenses	(326,202)	(354,549)	(490,947)	(685,530)	(992,158)
Net Interest Income	**405,201**	**532,251**	**681,795**	**899,457**	**1,202,117**
Exchange Income	87,980	102,518	125,747	135,355	165,839
Commission Income	55,747	93,551	115,942	163,899	215,292
Other operative income	36,816	56,567	46,607	144,096	167,953
Non operative income	1,768	6,192	391	1,426	7,048
Total Income	**587,512**	**791,079**	**970,482**	**1,344,233**	**1,758,249**
Staff Expenses	89,749	97,004	120,664	145,370	187,150
Operating Expenses	149,479	182,915	190,605	243,431	313,154
Non Operative Expenses	-	-	-	-	-
Staff Bonus	25,719	37,075	50,491	72,338	101,996
Total Expenses	**264,947**	**316,994**	**361,760**	**461,139**	**602,300**
Earning Before Tax	322,565	474,085	608,722	883,094	1,155,949
Provision	91,092	140,409	103,808	129,719	135,989
Tax	78,801	101,529	154,378	221,977	321,288
Net Profit After Tax	**152,672**	**232,147**	**350,536**	**531,398**	**698,672**

Table no-4.04
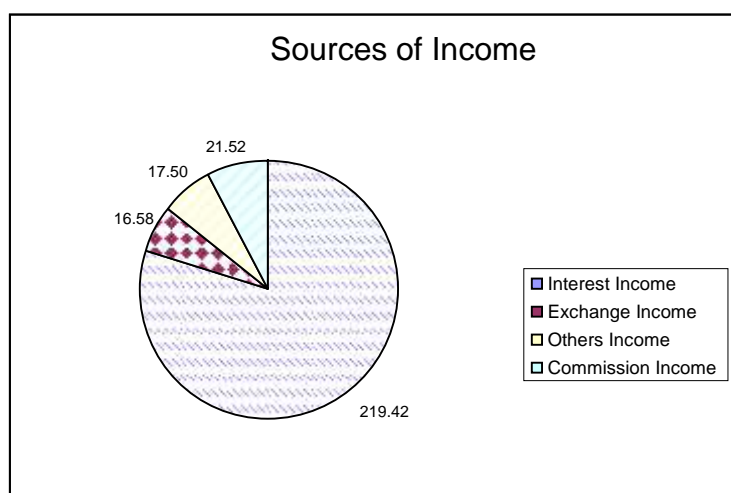
Chart 4.01
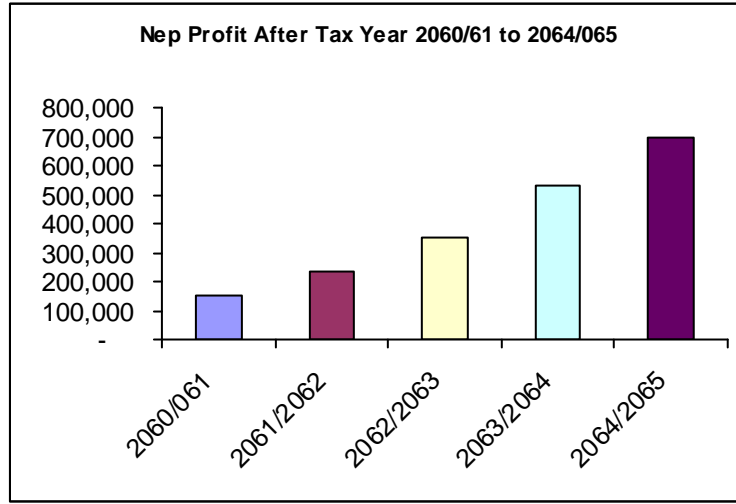
Chart no 4.02

In above table shows to Profit and loss account of NIBL, as per the above data, in the fiscal year 2060/61 the total net profit after tax is 152,672,000.00 and year 2064/65 total net profit after tax is 698,672,000.00.This this shows the total performance of the bank is very goods.

Types of Deposits in NIBL Year 063/064 & 064/065

Rs in 10 million

Particulars	2063/064	2064/065	Inc/Dec %
Current Account	217.50	313.87	44.31
Margin Account	37.17	60.71	63.33
Saving Account	1,074.23	1,368.88	27.43
Fixed Deposit Account	751.37	794.41	5.73
Call Account	368.32	907.30	146.33
Total Deposits	**2,448.59**	**3,445.17**	**40.70**

Table no-4.05
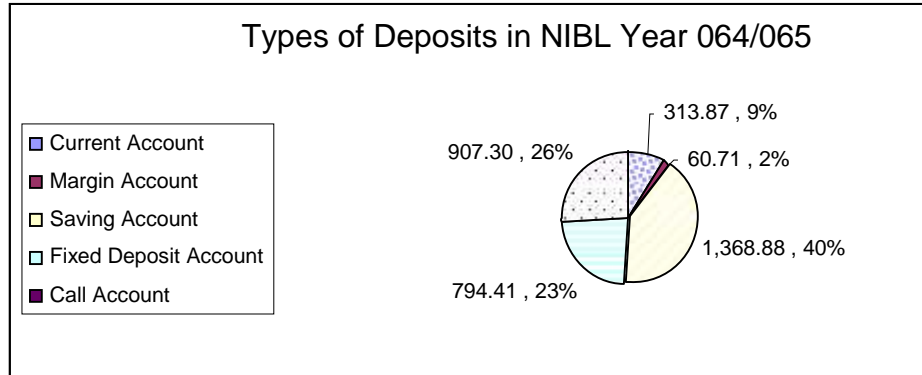
Chart 4.03

The above table shows the total annual deposit collection of NIBL in years 063/064 and 064/065. The total percentage of deposit in year 2064/065 on current account, margin account, saving account, fixed deposit account and call account are 9 %, 2%, 40%, 23% and 26% respectively.

4.7 Analyses of Primary data.

Is information is vital in the operation of the business?

Option	No of Response	Percent
Very High	28	94
High	1	3
Medium	1	3
Low	0	0

Table No.4.06
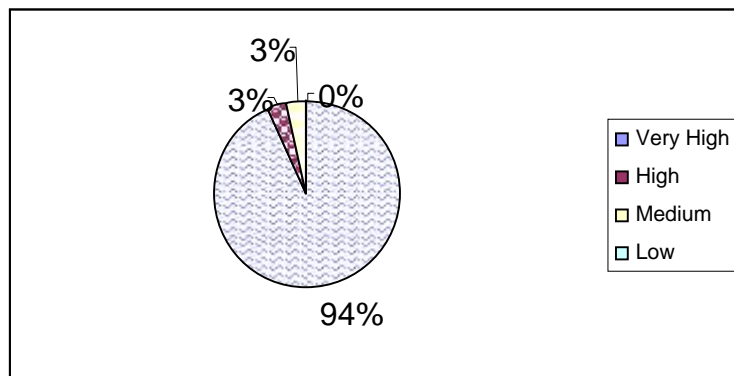
Chart No 4.04

From the given response 94% of people are highly think that information is vital for the business operation, 3% people are response that it is high vital for business operation and 3% think that it is medium vital for business, this is shown in table and chart no 4.04

Required data through your network?

Option	No of Response	Percent
Yes	25	84
Partly	4	13
No	1	3

Table No 4.07
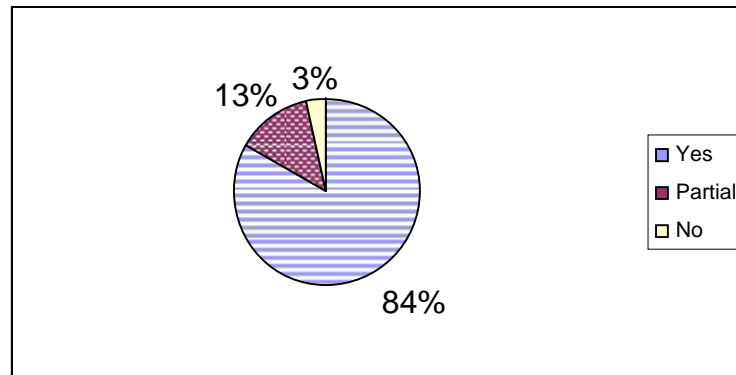
Chart No 4.05

From the given response 84% of people are highly think that required information from their network,13% people are response that it is partial information is collected through this network and 3% think that no information is collect through this network this is shown in table and chart no 4.05

Your data requirement in enough for decision making?

Option	No of Response	Percent
Yes	26	87
Partly	3	10
No	1	3

Table no 4.08
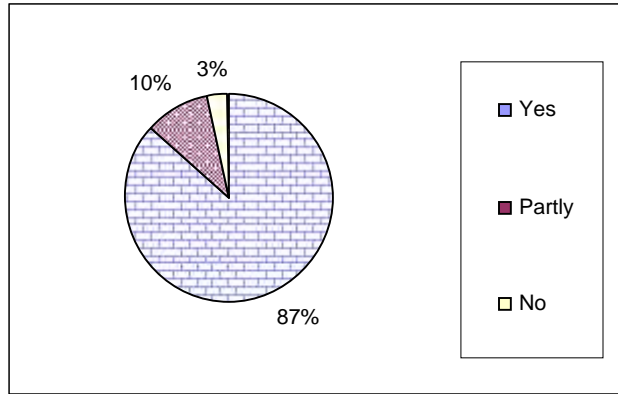
Chart No. 4.06

From the given response 87% of people are highly think that required data is enough for decision making,10% people are response that it is partial required data is enough for decision making and 3% think that no required data is enough for decision making, this is shown in table and chart no 4.06

* How do you collect data?

Option	No of Response	Percent
Manually	1	3
Computerize	25	84
Both	4	13

Table no 4.09
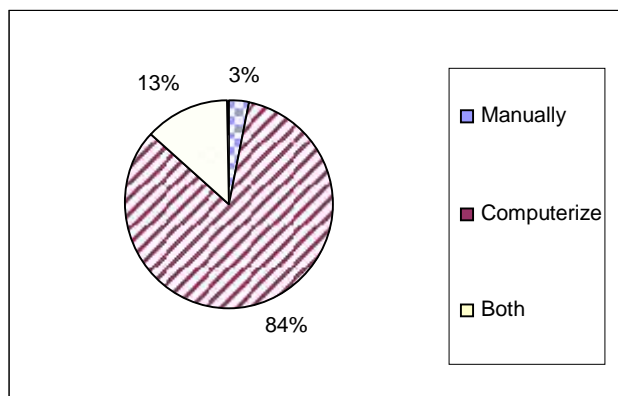
Chart No. 4.07

From the given response 84% of people are think that they collect data computerize,13% people are response that data are collected through both computer and manually 3% think that they collect data from manually, this is shown in table and chart no 4.07

Medium of Information flow between different sections in the bank.

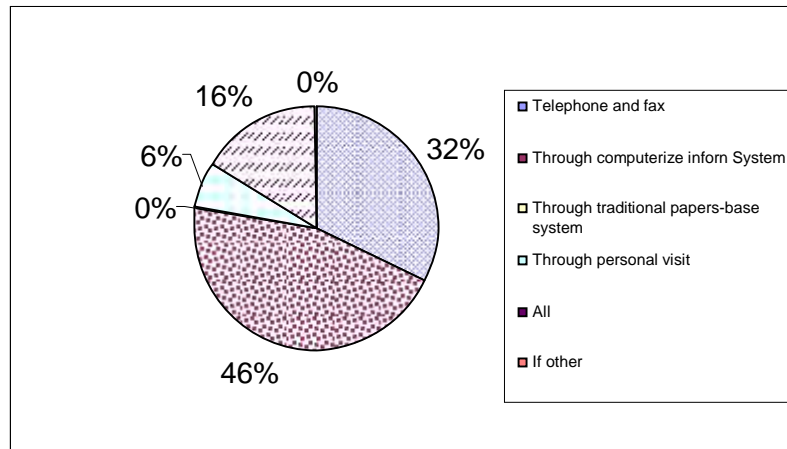| Option	No of Response	Percent
Telephone and fax	10	32
Through computerize infor^n System	14	46
Through traditional papers-base system	0	0
Through personal visit	2	6
All	5	16
If other	0	0

Table No 4.10

Chart No 4.08

In above questions out of 30, 10 are responded that, in organization telephone and Fax is used for flow the information in different section and another 15 responded the bank use computerized information system and another 2 staff responded the bank use personal visit for data flow in the different section and another 5 responded all these four option used for information flow in the bank.

Do you think need for knowledge of network or computer hardware?

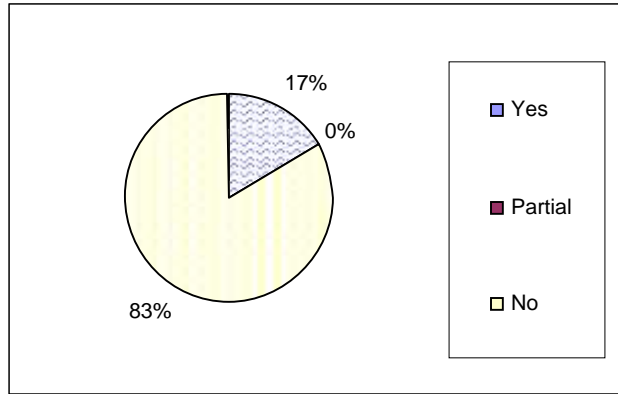| Option	No of Response	Percent
Yes	5	17
Partial	0	0
No	25	83

Table No 4.11

Chart No. 4.09

83 % people think no need for knowledge of network or computer hardware, 17 % thinks that there is need of knowledge of network or computer hardware.

Do you have knowledge of MIS?

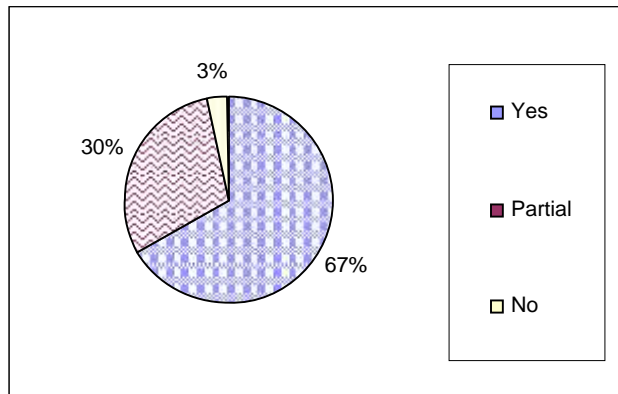| Option	No of Response	Percent
Yes	20	67
Partial	9	30
No	1	3

Table No 4.12

Chart No. 4.10

From the above table we can see that, 67 % staffs have knowledge of MIS, majority 30% of the staff are partial knowledge of bank's MIS. But 3% of responses they have not knowledge of bank MIS. That means training is most needed.

Do you now implementation of MIS?

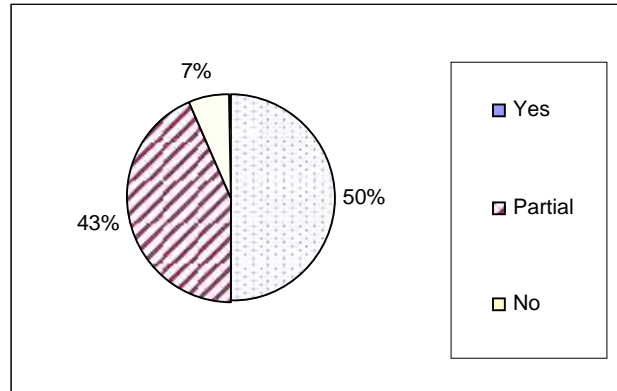| Option	No of Response	Percent
Yes	15	50
Partial	13	43
No	2	7

Table No 4.13

Chart No. 4.11

From the above chart it is observed that most of the users 50% are know the implantation of MIS, 43% partial know the implantation of MIS rest 7 % are not know the implantation of MIS , they need training.

Do MIS help in decision making?

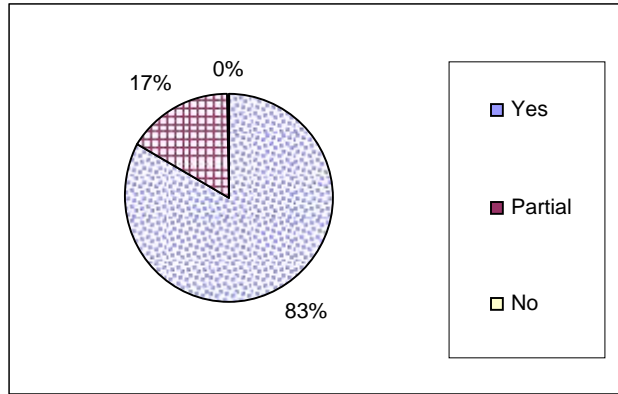| Option	No of Response	Percent
Yes	25	83
Partial	5	17
No	0	0

Table No 4.14

Chart No. 4.12

It is observed that 83% of the respondents are in favor that MIS help in decision making where 17% partial agree in MIS help in decision making.

* Need of additional department of MIS for the management for effective decision on

the bank?

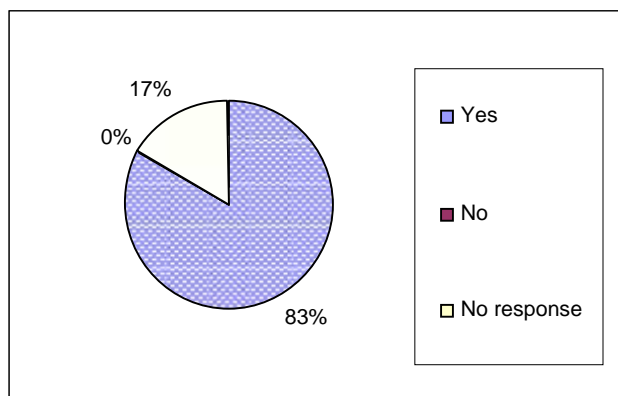| Option	No of Response	Percent
Yes	25	83
No	0	0
No response	5	17

Table No 4.15

Chart No 4.13

The attitude of sample can be seen easily from the above chart 83% want separate and additional department of MIS for the management for effective decision in right time at right place.

Familiar with current MIS?

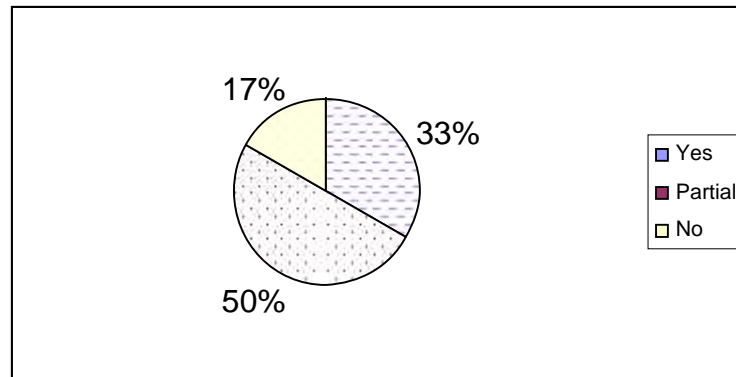| Option	No of Response	Percent
Yes	10	33
Partial	15	50
No	5	17

Table No4.16

Chart No 4.14

From the above table we can see that, 17 % staff are familiar with, majority (50%) of the staff are partial familiar with bank's MIS. But 33% of responses they are not familiar with bank MIS. That means training is most needed.

Software used for day-to-day purpose.

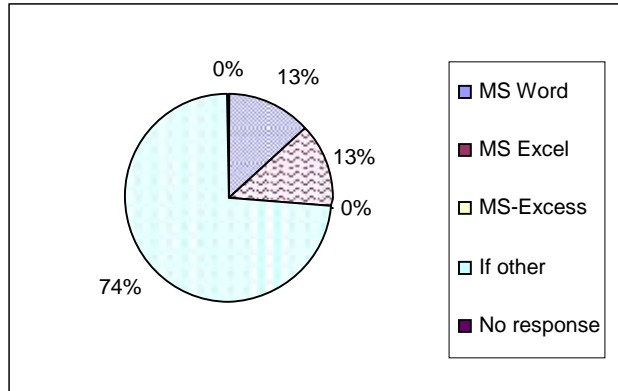| Option	No of Response	Percent
MS Word	4	13
MS Excel	4	13
MS-Excess	0	0
If other	22	74
No response	0	0

Table No 4.17

Chart No. 4.15

Out of 30 samples 4 are responded for MS-Excel for spreadsheet purpose and 4 are responded for Ms Word for day-to-day documentation, 22 are responded for finacle.

* Need to update your software and data.

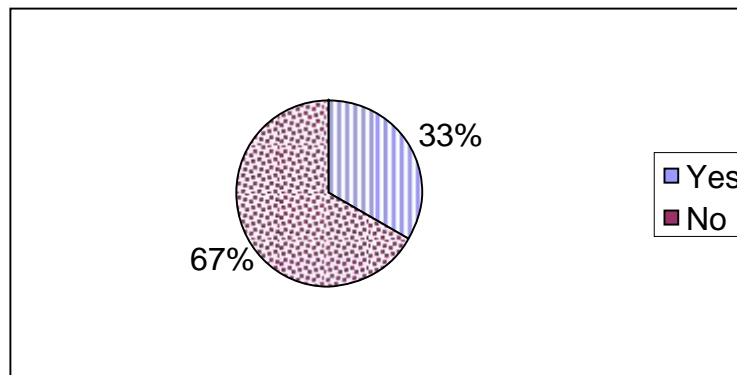| Option	No of Response	Percent
Yes	10	33
No	20	67

Table No 4.18

Chart No 4.16

From the above chart, It is observed that most of the responded 33% has replied, it is needed to make update the software and data But 67% responded it is not needed to update software and data.

* Necessary to minimized traditional paper-base information system.

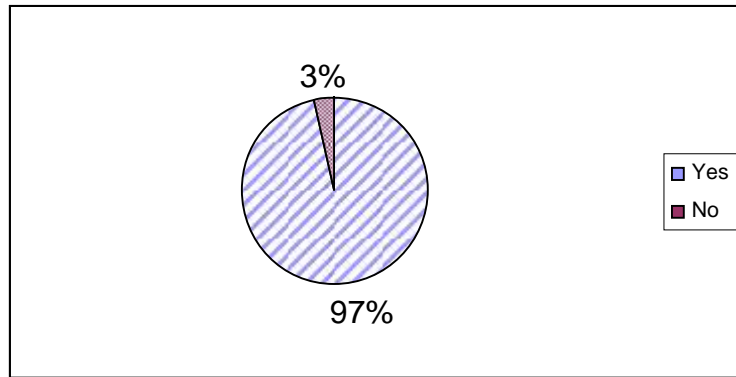| Option	No of Response	Percent
Yes	29	97
No	1	3

Chart No 4.17

From the above reaction of sample in the table and chart 97% are belief that It is necessary to minimized traditional paper-base system for increase the performance of bank and another hand 3% are think and belief that it is not necessary to minimized traditional paper-base information system means they are agree with traditional paper-base information system.

* Highly effective factor in decision-making process.

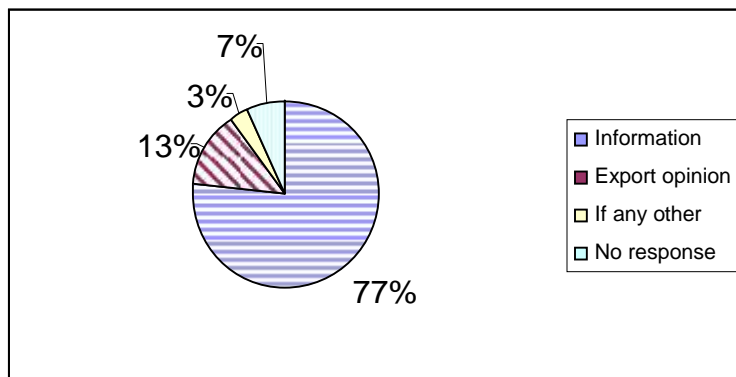| Option	No of Response	Percent
Information	23	77
Export opinion	4	13
If any other	1	3
No response	2	7

Table No 4.20

Chart No 4.18

In above chart or table 77% people responded information is a main factor of the highly effect decision-making process but 13% is replay that export opinion is main factor, which is highly effect in decision-making process. One person responded that, lack of proper mechanism and lack participation of staff is highly effects in decision making.

How long has your bank been having an Internet?
 It is fount that the bank has been using Internet from more then 4 year.

Is there any network for maintaining information system if please.

It is found that, the bank has been installed (MAN) Metropolitan Area network since a few years ago. The main server has been instilled Head office in IT section and every branch is connected to each other.

MIS is the basic needs of an organization.

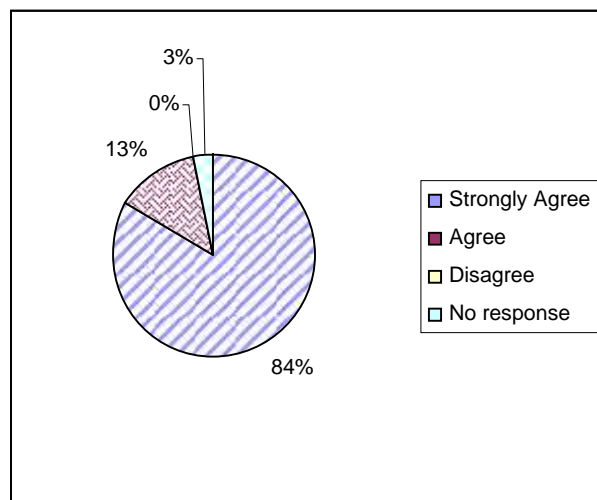| Option	No of Response	Percent
Strongly Agree	25	84
Agree	4	13
Disagree	0	0
No response	1	3

Table No 4.21

Chart No 4.19

The attitude of the sample can be seen from the above table and chart. Most of the people strongly agree that, MIS is the basic needs of an organization but 3% are no response about basic need of the bank.

* MIS has been mainly used in -----

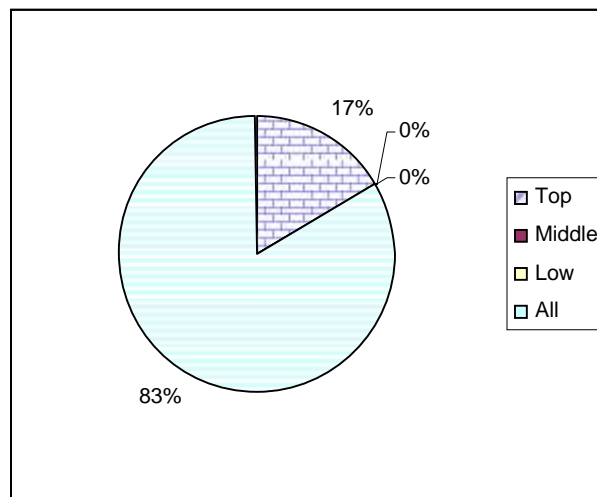| Option	No of Response	Percent
Top	5	17
Middle	0	0
Low	0	0
All	25	83

Table No 4.22

Chart No 4.20

From the above response shown on the table and chart, MIS is mainly used for all level management but 17% fell that is more important in top-level management. In this way base of the survey, we can say MIS is most important for all level of the bank.

* Are getting all information which you need in performing your task in your organization from current MIS? And how you rate your availability of information?

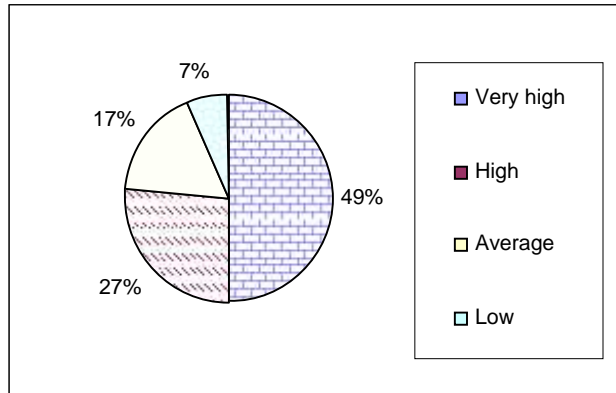| Option	No of Response	Percent
Very high	15	49
High	8	27
Average	5	17
Low	2	7

Chart No 4.21

Percent of sample they are gating average information only from their MIS for the daily operation and another hand from the figure It is clear that, 49% are getting very high volume of information, 27% are getting high volume of information, 17% are getting average information and 7% are getting low volume of information from their current MIS. It means in the bank it is fully practices of MIS in the bank so we can say, they can get full and correct information in right time.

* Necessarily of training software and Hardware personnel for improvement of MIS.

Option	No of Response	Percent
Yes	30	100
Partial	0	0
No	0	0

Table No 4.24
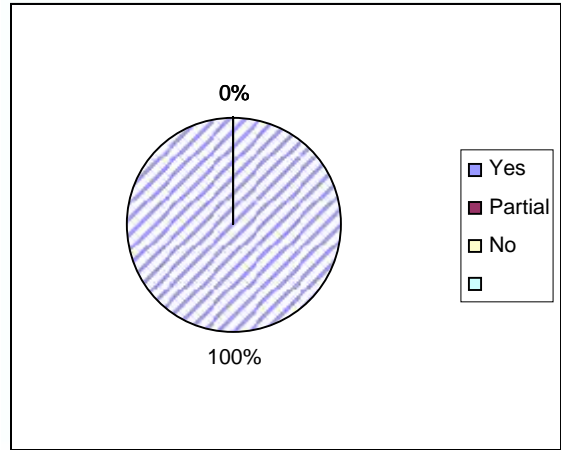
Chart No 4.22

The attitude of sample can be seen easily from the above chart, 100% are fell need of training software and hardware personnel for improvement of MIS.

* What will be Rank of performance of the Bank after proper implementation of MIS?

Option	No of Response	Percent
High	20	67
Medium	6	20
Low	3	10
Nothing	1	3

Table No 4.25

Chart No 4.23

The attitude of the sample can be seen easily from the above table the chart, that 100% has given their view, 67% of the staff they are felling increase high rank of

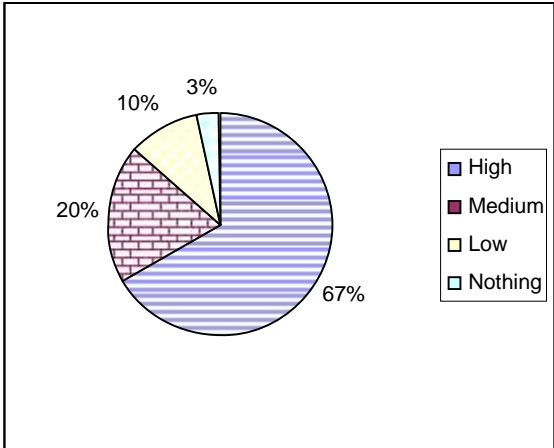performance, and 20% are fell medium rank of performance of the Bank after proper implementation of MIS*?* Only 10% are felling low level rank of performance of Bank will be increase after the proper implementation of MIS? So lastly, from this responded, we can say that, performance of bank will be increase after implementation of MIS.

4.8 Major Finding of Study:

After the study of the bank same important finding have been listed below.

⌡ The NIBL overall 27 Branches in Nepal. All branches are using new banking software- Finacle- a product of world renowned IT Company, Infosys, India. This is advance software in the world.

⌡ The NIBL providing various services manly deposit collection, Investment in various sector and it is also providing the facilities of bank guarantee, L/C etc.

⌡ There is centralized MIS department in Head Office of the bank i.e Durbarmarg, Kathmandu. All the problems generated by the system are solved by the centralized department.

⌡ The end users and lower level management are not fully aware of the positive features of the management information system. Thus, there is lack of proper decision making by the lower level management.

⌡ The operational level accomplishes day-to-day operation in large volume. They have no idea of the problems that may arise in the system. If such problem arises they directly inform their senior officers for the solution. But, the senior level officers are also yet not perfect to give the exact solution for such uncertain problem. Hence, only the trained manpower deputed in the IT department can solve the problem.

⎰ Many of the employees can see the data of server of bank. Sometime it makes problem due to the lack of knowledge of latest information technology.

⎰ The bank is using "Finacle" banking software for operation purpose and MS-Office and MS-Excel for office documentation and spreadsheet respectively. There is no any master Software program to accomplish to such type of package program.

⎰ All the computers of branches have network system linked with the head office and all the 27 branches are well-computerized and they are using intranet services as well.

⎰ There is weak human resources management as most of staffs are unknown about the latest information technology. They are felling difficulties in their job performance because of lack of knowledge of present computer software.

⎰ Since, the manpower of the bank are not well trained and informed about the system, there should be proper training package to those manpower so that they can give their best to their job.

SUMMARY, CONCLUSION & RECOMMENDATIONS

5.1 Summary:

MIS supports the management and end user by providing the timely and accurate information due to which management makes strategic decision and end user work day to day operation effectively. The management is kept alert by providing the up to date information about the present competitive environment so the management can lay its stone ahead to cope with the changing environment.

Bank is generally understood as a place where the financial services are offered through checking, saving and providing credit to the customers. The scope of banking service in today's world is expanded where the banks have become an instrument in providing financial support to a number of activities as a policy or by regulation or for meeting socio-economic obligations. In banking also the concept of financial product has come in. The customer chooses mainly on three factors: the ease of doing business, the quality of personnel service and the range of financial services.

These factors outrank the factor such as the location, the interest rates, the layout, the banking hours etc. The bank has a wide range of customers like individuals, institutions, trusts, business organizations, government and local bodies. The banks deal with a number of transactions which also very widely in terms of length and complexity. The distinctive service in banking mostly means solving the customer's problems in the financial matters and the single, most widely used measure of quick service is the elapsed time of transaction execution. For e.g. the time taken for credit amount, withdrawal of cash, the sanction of a loan or credit facility, etc are the norms of deciding a good service. The MIS in banking industry

revolves around this aspect. The MIS is to be designed to identify, decide and design a service strategy for offering a distinctive service to wide range of customers seeking a variety of service demands.

MIS has an efficient and effective method to disseminate information in the corporate environment. In the banking industry, there has been limited development in this area. But there is a great deal of information required to be at the fingertips of each and every employee and communications is the key to success of a financial institution. The customer database is very important in any of the banks to maintain. It includes individuals, company, institutions, operator, and range of the services provided by the bank, class of customers, their income group and working hours of the employees according to their shift. The MIS implemented in the bank should give the following information to management, i.e. the non-moving account, a/c going minimum balance, a/c having more than minimum limit, routine payments not made, routine credit not arrived, delay on credit cheque amounts, sudden rise and fall in a/c movements, customers who are giving more than 80% business etc. MIS fulfilling such demands not only help the managers and management but also the account holders.

Banking sector plays a vital role for the country's economic development. Bank is a resources mobilization institution, which accepts deposit from various sources and invests such accumulated resources in the fields of agriculture, trade, commerce industry, tourism etc. The bank has its own role and contribution and it's a source for economic development. The liberalities policy of the government in early 1980's opened up the door for privatization, foreign investment as a result to many joint venture banks being to establish in Nepal. As one of them is Nepal Investment Bank Limited.

Nepal Investment bank Limited (NIBL), previously Nepal Indosuez Bank Ltd. was established in 1986 as the joint venture between Nepal and France partner. The French partner (holding 50% of the capital of NIBL) was credit Agricola

Indosuez, a subsidiary of the largest banking group of the world. The name of this bank finally changed into Nepal Investment Bank Limited on April 2002. The head office of the NIBL is located at Durbar Marga Kathmandu .Its 27 branches are distributed in country's major regions and planning total 50 branches in year 2066.

This bank is totally (A) class commercial bank. NIBL provide a compete range of person, commercial and corporate banking and related financial services through its 27 branch and 46 external countries. The bank has corresponding agency relationship with 23 countries. The branch facilities the customer's to draft their money of the major bank of Indian like ICICI, HDFC, CITY. Some of those banks are connected to NIBL bank which are connected affiliated or mast commercial city of India. This Bank facilities the valued customer of remit their money from Golf countries (Sudisa Arab Quater, Malaysia, Dubai etc) by NIBL staffs.

The bank is using computer system, some jobs are done by computer and some are done manually. All of the staff of the Bank are not familiar with MIS. Some high level managers are only fully familiar with MIS due to knowledge of MIS. End Users are partly familiar with MIS. It is difficult to fully practices in the bank. It may cause delay in doing jobs. There is networking in the bank but the information is flowing through telephone, fax, paper document in different sections in different level of management as their requirement .They make the decision according to the provided information. The bank have internet also but it is used only for sending the report by E-mail in the different places, it is not fully used.

Banks services are very good. That's why working styles, policy, fully implementation of MIS and used new technology and mechanism to cope with competitors. The management of the organization is becoming very complex in the modern context. Numerous internal and external factors play a dominant role in making and shaping the decision in the modern organization. The information revolution has added another dimension of complexity on the organization's decision making. The whole functioning of the organization depends upon the

information procuring and processing system. Those, information have become a vital ingredient for the effective operation and management of the organization system. A computer based MIS is devised for cost reduction and increased productivity through better information processing. The modern information system provides numerous benefits such as better planning, control and operations, flexibility and economic consideration.

The objectives of study are to examine existing information system of bank, to evaluate the information gaps between different sections and recommend the alternative information system i.e. MIS in the existing information system of bank. The resource is descriptive cum analytical and case study in nature. Being a case study, the resource is mainly focused on the primary data that is provided by staff of NIBL. The data was obtained through various rounds of unstructured interviews, onsite observation and formal and informal discussion with the personnel of the bank. Secondary data was also used for the study. The secondary sources include data obtained through books, journals, annual report, bank news, websites and various other sources.

5.2 Conclusion:

Bank is an institution, which purchase and sales the use of money and credit. Banking sector plays a vital role for the country's economic development. Bank is a resources mobilization institution, which accepts deposit from various sources and invests such accumulated resources in the fields of agriculture, trade, commerce industry, tourism etc.

Commercial bank has its own role and contribution and is a source for economic development. It maintains economic confidence of various segments and extends credit to people.

Because of the cut throat competition in financed world, the bank should provide lots of facility to customer in easy and smooth way. It should give more importance for the customer service. In order achieve its objective; it has been update its

working style, policy and procedure with customer's needs by introducing new information technology and new system in the bank.

Base on the entire research study and findings some conclusions have been made. This study particularly deals with conclusion about banking system and information flows in various sectors in MIS point of view.

- The MIS is modernized computer based information system which provides information for decision making in the bank.
- The MIS department is a blue print of overall function of organization.
- The MIS is plays a vital role in the management, administration and operation of an organization.
- The MIS is an integrate system of the man and machine for providing the information to support to the organization.
- The MIS satisfies the diverse needs through a variety of system such as query system, analysis system modeling systems and decision support system .The MIS help in strategy planning management control operational control and transaction processing.
- The MIS system ensures that an appropriate data collected from the various sources, processed and sent further to all destinations.

Managerial Information system has been fully introduced in this bank. Strategic level management is well known about the value of information so it has changed the old software program "Pumori Plus " and introduced new advanced software "Finacle" which has number of additional features in comparison to 'Pumori Plus'. This new system solves all the problems that were not solved by the old Software.

With help of new software "Finacle", strategic and end user of management and staff are able to collect different types of information as per their requirement. It is only possible with use of MIS.

All End users do not have full knowledge of New Software "Finacle" i.e. what is on MIS, how does it help in taking right decision in right time at right place. They only know the basic features of MIS, so before the implementation of any new software training is must to all users so that they can be familiar with new software and do their task with ease.

The bank using "Finacle" software program accomplish different task, and also use various other program generated by the MIS department of central office. But end user of the bank has no enough knowledge of computer though the bank is using new Networking for database of the bank.

At present in the bank concentration is more on fund base income than in non fund based fee income. The bank has not yet introduced mobile banking to its customer. This service is also one of the best ways to earn income through non-found base fee income.

Financial report shows the satisfactory position of the bank. There is trained human resources management system. But, many of the staffs still don't have sufficient knowledge about new information technology .It is necessary to conduct special package of training program about new information technology so that their weak mechanism of human resource can be improved.

There is no doubt that making the right decision at right time in right place is possible only when there is relevant accurate and sufficient information .Thus, from this study it can be concluded that management information system plays a vital role in banking system and in all the operating activities of bank.

5.3 Recommendations:

NIBL is adopting a fully computerized system. All the operational functions are done through computerized and manually. All kinds of transactions and day-to-day operations are performed in a systematic way. Base on entire research work

some suggestions have been recommended that are suggested to be adopted by the bank.

-) Simple hardware training must be given to the users so that they can fix the minor problem themselves to the network and computer.

-) As per the information requirement the current MIS software, Intensive training must be given to all the users to operate the software.

-) The bank is providing various services in different sectors and it is also providing the facilities of bank guarantee, fax, draft, ATM, Tele-banking, credit card, Debit card, smart card and internet, any branch banking system, E-banking services etc and other many services. The bank can increase its revenue by mobile banking etc.

-) There should be the concept of MIS in every Organization. Bank should add MIS department in all the 27 branch of NIBL so that timely information can be provided by this department. For this purpose there should be advance database system.

-) This is the age of information. MIS is a completely new concept of world of information. Information system is the hottest topic in today's competitive environment for decision making. That's why the entire staff from top to bottom level of the bank must have proper knowledge of MIS in practical way for which management should conduct a package of training program for the existing staff about the new technology and also there should be recruitment of new skilled IT man power in the bank.

-) There is advanced networking system in the bank. But internet has not been fully implemented yet. The bank should implement intranet for smooth and timely information flow between each and every department and branches and should also provide the facility of intranet. An intranet is private network inside a company which uses software like that, used on the internet, but is

for internet use only and it is not accessible to the public. The main purpose of intranet is to share the company's information and computing resources among employees. Use of internet reduces the cost of printing, cost of paper and cost of communication. Further, overall process cycle becomes shorter as communication is faster. It enhances productivity of the workforce, reduces the space requirement of storage. Organization's response time increases considerably.

⟩ Loan or investment is one of the most important functions of the bank. It is very sensitive part of the bank. Success and failure of bank depends on good and safety investment. If bank can't do accurate valuation of property, bank can suffer from loss because of lower valuation. It cannot cover its loss amount. All the records keeping are the main responsibility of accountant. Mostly all the decisions are made according to records/information provided by accountant in timely manner. Keeping these view human resource management should be recruit the right person in right place at right time.

⟩ By using the computerized system, the bank could be benefited in many ways, there will be smooth information flow in all the functional area which makes easy for quick decision at right time for all level of management and, it will be increase in performance of bank.

⟩ The new system 'Finacle' adopted by the bank is highly advanced and basically generated for the big organization. Though it is advanced and up to the requirement, some of the information is not yet clearly reported by the system. Hence, for the betterment of the organization management should modify the system according to the requirement of the bank. If such advance technology is introduced in future better than 'Finacle" management should adopt such technology for the easy mode of operation.

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Questionnaire:

QUESTIONNAIRE FOR SURVEY

Dear Sir / Madam,

As per the partial fulfillment of the MBS (Master in Business Study) Degree from TU. Bhairahawa Multiple Campus. I am conducting a research work on the field of management Information System relating to your reputed organization *(Nepal Investment Bank Limited)*.My research work is titled as *"**MANAGEMENT INFORMATION SYSTEM FOR STRATEGIC AND END USER**"*. So I would like to request to you to give a few minutes for answering the following question. I would also like to state to all you that your response will be kept confidential and will be used only for the purpose of this study. Thank you for response.

Name: - ----------------------------------

Designation: - ---------------------------

Post: - ------------------------------------

Please tick [Ö], which you feel best answer among the available questions.

1. Information is vital in the operation of the Bank?

   Very High   High   Medium   Low

2. Do you get the required data through your network?

   Yes   Partly   No

3. Your data requirement in enough for decision making?

   Yes   Partly   No

4. How do you collect data?

   Manually   Computerize   Both

5. How to information flow between different sections in the bank?
   Telephone and Fax.
   Through computerized information system.

Through traditional paper base system.
Through personal visit.
All
If other --------------------------------------

6. Do you think need for knowledge of network or computer hardware?

   Yes   Partly   No

7. Do you have knowledge of MIS?

   Yes   Partly   No

8. Do you now implementation of MIS?

   Yes   Partly   No

9. Do MIS help in decision making?

   Yes   Partly   No

10. Do you need additional department (MIS) in your branch for the effective management of information?

    Yes   No

11. How you rank, your familiarity with MIS?

    Yes   Partial   No

12. Which software is used for day to day purpose?

    MS- Excel   MS- Excess
    MS- Word   If other ----------------------------.

13. Do you think you need to update your software and data?

    Yes   No

14. It is necessary to minimized traditional paper base information system.

    Yes   No

15. Which among these effects highly in decision making process.

    Information
    Export's opinion
    Any other please ---------------------------------

16. How long has your bank been having an Internet?
    No
    If Yes
    [a] Less then 6 month   [b] From 1 to 2 years
    [b] From 2 to 4 years   [d] From more then 4 years

17. Is there any network for maintaining information system if please

    LAN   MAN   WAN

18. You are agreeing with that MIS and information system is the basic needs of an organization?

    Strongly agree.
    Agree.
    Disagree.
    No response.

19. MIS has been using mainly in ......
    Top level management.
    Middle level management.
    Low level management.
    At all level management.

20. Are getting all information which you need in performing your task in your organization from current MIS? And how you rate your availability of information?

    Very high   High
    Average   Low

21. Do you think, It is necessary training requirement of software and Hardware personnel in the bank for improvement of MIS.

    Yes   Partial   No

22. After proper implementation of MIS, What will be ranking the performance of Bank?
    High   Medium
    Low   Nothing

Thank you very much for co-operation.