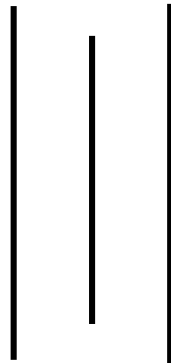


**ROLE OF MANAGEMENT INFORMATION  
SYSTEM IN COMMERCIAL BANKS**  
(A Case Study on Loan Management of Kumari Bank Limited)

By  
**SIDDHARTHA MANDAL**  
Shanker Dev Campus  
Campus Roll No.: 1777/063  
T.U. Regd. No.: 7-2-356-28-2000  
2<sup>nd</sup> Year Exam Symbol No.: 3114

**A Thesis Submitted to:**  
**Office of the Dean**  
**Faculty of Management**  
**Tribhuvan University**



*In partial fulfillment of the requirement for the degree of  
Master of Business Studies (MBS)*

**Kathmandu, Nepal**  
**November 2010**

## **RECOMMENDATION**

This is to certify that the thesis

Submitted by:

**SIDDHARTHA MANDAL**

Entitled:

### **ROLE OF MANAGEMENT INFORMATION SYSTEM IN COMMERCIAL BANKS**

**(A Case Study on Loan Management of Kumari Bank Limited)**

*has been prepared as approved by this Department in the prescribed format of  
the Faculty of Management. This thesis is forwarded for examination.*

.....  
**Prof. Dr. K.D. Manandhar**

**(Thesis Supervisor)**

.....  
**Prof. Bishweshor Man Shrestha**

**(Head, Research Department)**

.....  
**Prof. Dr. Kamal Deep Dhakal**

**(Campus Chief)**

.....  
**Er. Shankar Nath Adhikari**

**(Thesis Supervisor)**

## **VIVA-VOCE SHEET**

We have conducted the viva –voce of the thesis presented

By

**SIDDHARTHA MANDAL**

Entitled:

### **ROLE OF MANAGEMENT INFORMATION SYSTEM IN COMMERCIAL BANKS**

**(A Case Study on Loan Management of Kumari Bank Limited)**

*And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the degree of*

**Master of Business Studies (MBS)**

#### **Viva-Voce Committee**

Head, Research Department .....

Member (Thesis Supervisor) .....

Member (Thesis Supervisor) .....

Member (External Expert) .....

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**Role of Management Information System in Commercial Banks (A Case Study on Loan Management of Kumari Bank Limited)**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision of **Prof. Dr. Kamal Das Manandhar** and **Er. Shankar Nath Adhikari** of Shanker Dev Campus, T.U.

.....

**Siddhartha Mandal**

**Shanker Dev Campus**

**Campus Roll No. : 1777/063**

**T.U. Regd. No.: 7-2-356-28-2000**

**2<sup>nd</sup> Year Exam Symbol No.: 3114**

## **TABLE OF CONTENTS**

*Recommendation*

*Viva Voce Sheet*

*Declaration*

*Acknowledgement*

*Table of Contents*

*List of Tables*

*List of Figures*

*Abbreviations*

**Page No.**

### **CHAPTER - I INTRODUCTION**

<i>1.1 Background of the Study</i>	<i>1</i>
<i>1.1.1 Management Information System</i>	<i>4</i>
<i>1.1.2 Introduction to Kumari Bank and Loan Management</i>	<i>5</i>
<i>1.2 Focus of the Study</i>	<i>17</i>
<i>1.3 Statement of the Problem</i>	<i>17</i>
<i>1.4 Objectives of the Study</i>	<i>18</i>
<i>1.5 Limitation of the Study</i>	<i>18</i>
<i>1.6 Rational of the Study</i>	<i>18</i>
<i>1.7 Organization of the Study</i>	<i>19</i>

### **CHAPTER – II LITERATURE REVIEW**

<i>2.1 Conceptual Review</i>	<i>21</i>
<i>2.2 Review of Articles</i>	<i>37</i>
<i>2.2.1 Kumari Mobile Cash</i>	<i>37</i>
<i>2.2.2 Kumari Big Savings Khata</i>	<i>41</i>
<i>2.2.3 Kumari Smart Fixed Deposit</i>	<i>42</i>
<i>2.2.4 Blood Donation Programmer</i>	<i>43</i>

2.3 <i>Review of Related Research Studies</i>	43
2.3.1 <i>Systematic –Intuitive Approach</i>	
47	
2.3.2 <i>Thinking – Feeling Approach</i>	48
2.3.3 <i>Normative- Descriptive Approach</i>	
48	
2.4 <i>Approach to Problem Solving</i>	49
2.5 <i>Approach to Decision Making</i>	49
2.6 <i>Research Gap</i>	50
<b>CHAPTER – III RESEARCH METHODOLOGY</b>	
3.1 <i>Research Design</i>	51
3.2 <i>Population and Sample</i>	51
3.3 <i>Sources of Data</i>	51
3.3.1 <i>Primary Data Collection</i>	52
3.3.2 <i>Secondary Data Collection</i>	52
3.4 <i>Analytical Tools and Technology</i>	53
3.4.1 <i>Tables and Figures</i>	57
<b>CHAPTER – IV SYSTEM ANALYSIS, DESIGN AND DATA PRESENTATION</b>	
4.1 <i>Organization Structure</i>	59
4.2 <i>Sources of Information</i>	60
<b>4.3 DFD of Existing System</b>	<b>62</b>
4.3.1 <i>Context Level DFD</i>	62
4.3.2 <i>System Level</i>	63
4.4 <i>Analysis of Existing Technology</i>	65
4.5 <i>Limitation of Existing System</i>	66
4.6 <i>Major Finding of the Existing System</i>	66

<i>4.7 Concept of New System or Modify the System</i>	69
<i>4.8 Comparison between New and Existing System</i>	69
<i>4.9 Application Modeling</i>	69
<i>4.10 DFD, DD, ERD for New System</i>	73
<i>4.11 Input, Database and Output Design</i>	76
<i>4.12 Justification of the New System</i>	77
<i>4.13 Cost benefits Analysis and Feasibility Analysis of New System</i>	78

**CHAPTER – V      SUMMARY, CONCLUSION AND RECOMMENDATIONS**

<i>5.1 Summary</i>	81
<b>5.2 Conclusion</b>	<b>83</b>
<i>5.3 Recommendations</i>	86

***Bibliography***

***Glossaries***

## ***LIST OF TABLES***

<b><i>Table No.</i></b>	<b><i>Title</i></b>	<b><i>Page</i></b>
<b><i>No.</i></b>		
<b><i>3.1</i></b>	<b><i>Decision Table</i></b>	<b><i>58</i></b>
<b><i>4.1</i></b>	<b><i>The Work Completion of Kumari Bank Limited in Fiscal Year 2065/66</i></b>	<b><i>61</i></b>
<b><i>4.2</i></b>	<b><i>Deposited Amount of Kumari Bank</i></b>	<b><i>66</i></b>
<b><i>4.3</i></b>	<b><i>Loan &amp; Borrowing of Kumari Bank</i></b>	<b><i>67</i></b>
<b><i>4.4</i></b>	<b><i>Forecasting Model of Loan withdrawer in 2011 AD Kumari Bank</i></b>	<b><i>70</i></b>
<b><i>4.5</i></b>	<b><i>Data Dictionary</i></b>	<b><i>75</i></b>



## ***LIST OF FIGURES***

<b><i>Figure No.</i></b>	<b><i>Title</i></b>	<b><i>Page No.</i></b>
2.1	<i>Conceptual Frame Work of MIS</i>	21
2.2	<i>Architectural Framework of Management Information System</i>	22
2.3	<i>Tactical Information System</i>	23
2.4	<i>Conceptual View of MIS</i>	24
2.5	<i>MIS and Strategic Management</i>	25
2.6	<i>Information System for Decision Making</i>	27
2.7	<i>Components/ Structure of MIS</i>	28
2.8	<i>Hierarchy of Management in Kumari Bank</i>	30
2.9	<i>Data Processing</i>	35
2.10	<i>Levels of Decisions in Kumari Bank</i>	45
2.11	<i>Types of information reports needed by management levels for Planning and Control</i>	45
2.12	<i>Examples that depict the relationships of types of decisions to the Managerial Level – Support Function</i>	46
<b>4.1</b>	<b><i>The Work Completion of Kumari Bank Limited in Fiscal Year 2065/66</i></b>	<b>61</b>
4.2	<i>Context Level DFD of Loan Department Management</i>	62
4.3	<i>System Level DFD</i>	64
4.4	<i>The Bar Diagram of Deposited Amount in Kumari Bank Limited</i>	67
4.5	<i>Bar Diagram of Loan and Borrowing of Kumari Bank Limited</i>	67
4.6	<i>Line Graph of Loan and Borrowing of Kumari Bank Limited</i>	68
4.7	<i>Pie chart of Loan and Borrowing of Kumari Bank Limited</i>	68
4.8	<i>Rader Diagram of Loan and Borrowing of Kumari Bank Limited</i>	69
4.9	<i>Trend line projection of Loan flow up to 2011 AD</i>	71
4.10	<i>Context Level DFD of New Loan Management</i>	73
4.11	<i>System Level DFD of New System</i>	74
4.12	<i>ERD for Applicant and Loan Department</i>	76

### 4.13 *Input, Database and Output*

77