

Course Name : O Level(B3-1st sem.)
Topic : Internet Banking

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Internet Banking

Internet Banking is, also known as online banking or Net Banking. It is the system that provides the facility to the user to conduct the financial and non-financial transactions from his net banking account. It allows you to conduct many different types of transactions through the internet from the comfort of your home. Using Internet Banking, user can transfer funds from his account to other accounts of the same bank or different bank.

Features of Internet Banking

- The user can view account statements.
- Various types of forms, Bank statements can be downloaded.
- The user can transfer funds, pay any kind of bill, recharge mobiles, DTH connections, etc.
- The user can buy and sell on e-commerce platforms.
- The user can also book transport, travel packages, and medical packages.
- The user can also check the history of the transactions for a given period by the concerned bank.

Advantages of Internet Banking

- The customers get permanent access to his/her bank anytime and anywhere.
- An online account is simple to open and easy to operate.
- Transactions are safe and highly secure.
- It is fast and efficient.
- Immediate funds transfer helps the user in time of urgent need.
- It saves valuable time of the users.

Disadvantages of Internet Banking

- Requirement of Internet connection.
- Security of transactions is a major issue.
- Password security is also a big issue.
- Your banking information may be spread out on several devices, making it more at risk.
- Inconvenient to make deposits.

E-Banking (Electronic banking)

Electronic banking also known as e- banking, virtual banking, online banking, or internet banking. Through e-banking, a customer can access his account and conduct many transactions like funds transfer, payment of bills, opening bank accounts online etc. using his computer or mobile phone.

There are mainly two methods to deliver e-banking to the customers:

1. **Banks with physical presence offering electronic transaction** : Most of the banks have a physical presence and offer banking facility online.
2. **Virtual banks offering transaction services**: There are some banks that don't have any physical presence anywhere. Such type of banks called virtual **banks**.

Features of e-Banking:

ATM

Full form of ATM is Automated Teller Machines. ATM machines are electronic terminals. These machines provide the customers to bank anytime. ATM is designed to perform the most important functions of the bank. It is operated by a plastic card (ATM card) with its special features.

Working of ATM

The ATM machines take inputs from the ATM card that the banks provide to its customers. To make use of ATM, the user must have a password. When customer needed money, they go to the nearby ATM machine, insert their ATM card, and take the required amount. Banks charge a nominal fee from the customers on every transaction made after crossing the specified limit of free transactions, if the transaction is done from any other bank's ATM machine.

Point-of-Sale Transfer Terminals

Under e-banking, this service allows customers to pay for purchase through a debit/credit card instantly.

Deposit and Withdraws (Direct)

Under e-banking, this service allows the customer to regularly approve paychecks in the account. The customer can make any type of installment, insurance payment, and multiple payments to the bank to pay his bills.

Exercise:

1. What do you mean by Internet Banking?
2. Write the advantages and disadvantages of Internet Banking.
3. Write the features of e-Banking.

