

## 1.26 International Monetary Fund (IMF)

আন্তর্জাতিক মুদ্রা তহবিল

The International Monetary Fund (IMF) is an international organization created for the purpose of standardizing global financial relations and exchange rates.

The International Monetary Fund is an organization of 189 member countries. The IMF works hand-in-hand with the World Bank, and although they are two separate entities, their interests are aligned, and they were created together.

It stabilizes the global economy in three ways.

**First,** It monitors global conditions and identifies risks.

**Second,** It advises its members on how to improve their economies.

**Third,** It provides technical assistance and short-term loans to prevent financial crises.

The IMF's goal is to prevent these disasters by guiding its members.

## 1.27 Automated Teller Machine

স্বয়ংক্রীয় গণনাকারী মেশিন

The automatic teller machine (ATM) is an automatic banking machine (ABM) which allows customer to complete basic transactions without any help of bank representatives. There are two types of automatic teller machines (ATMs).

The basic one allows the customer to only draw cash and receive a report of the account balance. Another one is a more complex machine which accepts the deposit, provides credit card payment facilities and reports account information.

It is an electronic device which is used by only bank customers to process account transactions. The users access their account through special type of plastic card that is encoded with user information on a magnetic strip. The users insert the card into ATMs to access the account and process their account transactions.

**Question »What is Automated Teller Machine (ATM)?**

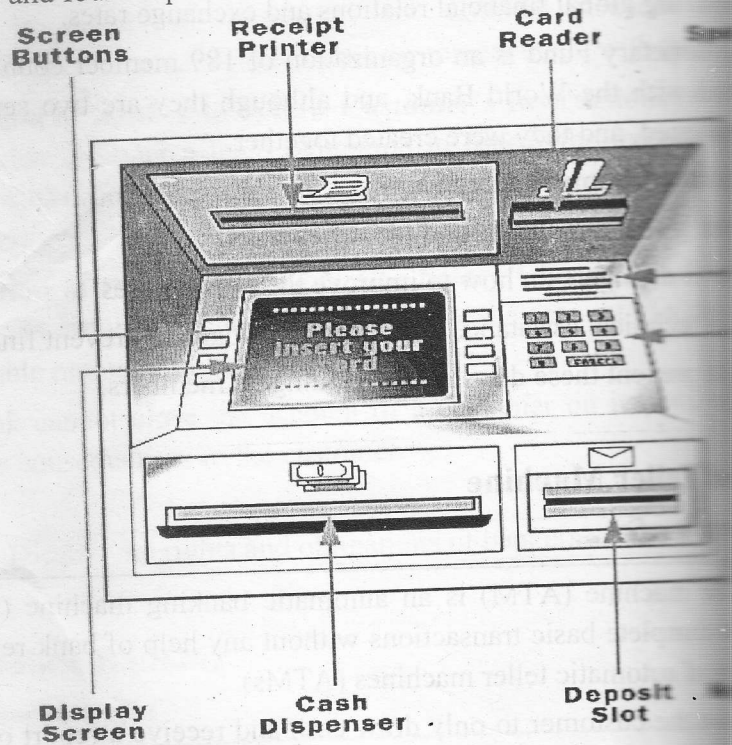
**NU BBA Professional 2014**

## 1.28 Operation of Automatic Telling Machine (ATM)

স্বয়ংক্রীয় গণনাকারী মেশিন পরিচালনা

The internet service provider (ISP) plays an important role in the ATMs. This provides communication between ATM and host processors. When the transaction is made, the details are input by the card holder. This information is passed on to the host processor by

the ATM machine. The host processor checks these details with the bank's database. If the details are matched, the host processor sends the approval code to the ATM machine. The Automatic Telling Machine (ATM) has several input devices and four output devices that are;



### 1. Input Devices:

a) **Card Reader** (কার্ড রিডার): The card is swiped on the card reader. The card reader sends the account information i.e. the data from the card is passed to the host processor (server). The host processor thus uses this data to get the information of the account holders.

b) **Keypad** (কি-প্যাড): The keypad lets the cardholder tell the host processor what transaction is required (cash withdrawal, balance inquiry, etc.). Also, the bank requires the cardholder's personal identification number (PIN) for verification.

### 2. Output Devices (আউটপুট ডিভাইস):

a) **Speaker** (স্পিকার): The speaker provides the audio feedback to the cardholder when a key is pressed.

- b) **Display Screen** (ডিসপ্লে স্ক্রিন): The display screen displays the transaction information. Each steps of withdrawal is shown by the display screen. A CRT screen or LCD screen is used by most of ATMs.
- c) **Receipt Printer** (রিসিভ প্রিন্টার): The receipt printer provides the cardholder with a paper receipt of the transaction.
- d) **Cash Dispenser** (নগদ পরিবেশক): The heart of an ATM is the safe and cash-dispensing mechanism. The entire bottom portion of most small ATMs is a safe that contains the cash.

## 129 Q-cash ATM

কিউ-ক্যাশ এটিএম

Q-Cash provide banks and retailers with an advanced infrastructure for Online Transaction Processing & Settlement; while operating the largest independent ATM & Merchant network in Bangladesh by accepting all major International & Domestic Cards. With 35+ Banks in the rapidly evolving arena of Electronic Payment & Transaction System

## 130 Mobile Banking

মোবাইল ব্যাংকিং

The Mobile phone has started a new dimension in transaction and banking system. We call this system as Mobile Banking System.

Mobile banking is the act of doing financial transactions on a mobile device. In Bangladesh we know about bkaash mobile banking, dutch bangla mobile banking (rocket)

Advantages to mobile banking include:

1. Simple and Easy to use.
2. Menu based Application Program
3. Transmitted data are secured.
4. Almost every handset can Support this feature.
5. No need to go for Bank Branch.
6. Handle all type of Transactions from anywhere at any time.

➤ **Disadvantages** to mobile banking include:

1. May prove costly for normal mobile holders
2. Restricted scope
3. Non-uniformity of services
4. Threat of virus and spams
5. Theft of mobile

### 1.31 Credit Cards

ক্রেডিট কার্ড

The term "**credit card**" usually/generally refers to a plastic card assigned usually with a credit limit, that can be used to purchase goods and obtain cash advances.

Credit  
Cards →



Some of the definitions of credit card are given below:

1. **According to Investopedia**, "A credit card is a card issued by a financial institution giving the holder an option to borrow funds, usually at point of sale."
2. **In the words of Darryl R. White**, "A credit card is a plastic card issued by a financial institution that allows its user to borrow pre-approved funds at the point of sale in order to complete a purchase."
3. **In the words of M. Sheffrin**, "A credit card is a payment instrument issued by a financial institution (cardholders) to enable the cardholder to pay a merchant for goods and services on the cardholder's promise to the card issuer to pay them for the purchase plus the other agreed charges."

### 1.32 Debit Card

ডেবিট কার্ড

A **debit card** (also known as a bank card or check card) is a plastic payment card. It is used instead of cash when making purchases. It is similar to a credit card, but unlike a credit card, the money comes directly from the user's bank account when performing a transaction.



Some of the definitions of debit card are given below:

1. **According to Business Dictionary**, "Debit Card is a smart alternative to cash and meant to make shopping more convenient."
2. **According to Investopedia** - Debit Card is 'a payment card that deducts money directly from a consumer's checking account to pay for a purchase.'
3. **According to Martin, Andrew**, "A debit card is a plastic payment card that can be used instead of cash when making purchases."

### 1.33 Differences between Credit Card and Debit Card

ক্রেডিট কার্ড ও ডেবিট কার্ডের মধ্যে পার্থক্য

The key difference between the two cards is where the money is drawn from when a purchase is made. When a consumer uses a debit card, the money comes directly from his checking account. Some of the other differences between Credit Card and Debit Card are given below:

Credit Card versus Debit Card comparison chart

	Credit Card	Debit Card
1. About	Credit cards are lines of credit.	Any time you buy something, money is deducted from your account.
2. Connected To	Not required to be connected to a checking account.	It is essentially connected to a checking account.
3. Monthly Bills	Yes	No
4. Application Process	Somewhat difficult.	Easy.
5. Spending Limit	The credit limit set by the credit issuer.	However much money is in your account.
6. Interest Charged	If a credit card bill is not paid in full, interest is charged on outstanding balance.	No interest is charged on money in your account.
7. Fraud Liability	Low.	High.

### 1.34 Definition of Bank Management

ব্যাংক ব্যবস্থাপনার সংজ্ঞা

There are many definitions of bank management. In general, bank management is the process of managing the Bank's statutory activity. Bank management is defined by the specific object of management - financial relations, operational activities and other relations, also connected with implementation of various functions in banking.

The main objective of bank management is to build organic interaction between the elements of banking mechanism with a view to successful optimization of the "profitability-risk" ratio in a bank. A bank's profitability is largely determined by the use of effective methods of bank management. A reasonable risk is one of the elements of entrepreneurship culture in banking culture in particular.

Reliability of the bank management is determined by the following factors:

- management expertise in strategic analysis, planning, policy formulation and management functions;
- quality of planning;
- risk management (credit, interest rate and currency risks);

- liquidity management;
- management of human resources;
- creation of control systems: audit and internal audit , monitoring of profitability and risks liquidity;
- unified information technology system: integrated automation of workflow, accounting, current analysis and control, strategic planning.

All the above conditions show themselves during implementation of bank management and its components.

**Question »What is meant by 'Bank Management'? NU BBA Professional 2010**

### 1.35 Determining Factors of Increasing Importance of Bank Management

ব্যাংক ব্যবস্থাপনার গুরুত্ব বৃদ্ধির ওপর প্রভাববিস্তারকারী উপাদান

Bank is a profit oriented organization. The main objective of bank management is to build organic and optimal system of interaction between the elements of banking mechanism with a view to profit. Day by day, bank management becomes more complicated due to the effect of these three determinants.

**1. Changing Regulation of Banks** (ব্যাংকের রেজুলেশন পরিবর্তন): Thousands of banks around the world failed due to the economic recession called Great Depression.

Due to the bank failure, millions of depositors suffered from a great problem, as they didn't get back their deposited money. From this time, to protect the interest of depositors, deposit insurance scheme was made mandatory for banks.

Day by day bank management becomes more challenging by introducing rules and regulations by bank regulatory authorities.

**2. Increasing Competition due to Changing Technological Development** (প্রযুক্তিগত উন্নয়নের ফলে প্রতিযোগিতা বৃদ্ধি): Number of served client and quality dimensions of services are the basis of competition. The bank, which provides better service with high quality, is capable of being successful in competition.

The management of bank creates new strategy of banking services adjusted in competitive banking business.

**3. Changing International Relationship** (আন্তর্জাতিক সম্পর্কের পরিবর্তন): In international banking business, the bank faces extensive amount of legislation in the event of a new problem. International relations, global or bilateral, create more competition in banking business.