**Chapter 2**

**Initial Feasibility Study**

**2.1 Introduction**

As the name implies, a feasibility study is used to determine the viability of an idea, such as

ensuring a project is legally and technically feasible as well as economically justifiable. It tells us

whether a project is worth the investment-in some cases, a project may not be doable. There can

be many reasons for this, including requiring too many resources, which not only prevents those

resources from performing other tasks but also may cost more than an organization would earn

back by taking on a project that isn’t profitable or simply the required budget for the project

exceeds the available budget of the organization.

We do the feasibility study answering some important questions. These questions are:







* What are the user’s demonstrable needs and how does a candidate system meet them?
* What resources are available for the candidate system? Is the problem worth solving?
* What are the likely impact of the candidate system on the organization? How well does it
* fit within the organization’s MIS plan?

**2.2 Initial feasibility study**

**2.2.1 Lack of capital**

Capital is the money that a bank has obtained from its shareholders and other investors and any profit that it has made and not paid out**.**

Capital is a key ingredient for safe and sound banking. Banks take on risks and may suffer losses if the risks. To stay safe and protect people’s deposits, banks have to be able to absorb such losses and keep going in good times and bad. That’s what bank capital is used for.

“Rajshahi Krishi Unnayan Bank” is a government organization. So, government fixes the budget of the capital for the bank.

The main function of the bank is to give loan to the consumers, handling deposits of the consumers. The bank has a vast number of consumers. The authorized capital of the bank is 10000 million dollar. The bank was paid up 825 million dollar. Sometimes the transactions is very large. The capital can not support the transactions. As a result, bank has to take loans from or make a financial request to the Bangladesh Bank. This causes the system to suffer losses.

**2.2.2 Bad debt**

The term bad debt refers to an amount of money that a creditor must write off as a result of a default on the part of the debtor. In other words, Bad debt refers to loans or outstanding balances owed that are no longer deemed recoverable and must be written off.

A report from April 22, says that, RAKUB suffered Tk 1,210.09 crore in defaulted loans, which is 19.15 per cent of its Tk 6,317.76 crore outstanding loans. The amount was huge for the bank. This much loss may lead an organization to shut off.

The reasons for suffering the loss every year is the poor government policies and not getting enough legal help to recover these debt. It takes a lot of time to take legal action against the debtor. Moreover, the cases in the court run too long. The bank needs to wait too long to have a hearing. Sometimes the mortgage of the debtor can not make the loss even.

Faster legal procedure and a planned legal policies may stop these losses to be occurred. The bank should also make a proper investigation before giving loans.