

## **CHAPTER ONE**

## **1. Introduction**

### **1.1 Background of the Study**

Green Peace Lincoln College affiliated to Lincoln University have set up internship program under which students are required to do internship in one of the business organization and prepare internship report through the experience and research working there. The internship is a 8 week program designed to provide a student with an opportunity for a meaningful career related experience in a real organization. It gives a student the opportunity to apply the theoretical knowledge into the real world and also expand their skills in the related sector. In addition, it will help the student on credit and marketability for permanent job search while learning more about a specific field and applying classroom knowledge in a corporate environment. This internship program provides an opportunity to learn in the real work situation and an experience which can help the student to achieve their goal.

The intern is pursuing to work in credit department and know about how a financial organization provides credit service to its customers. Also to learn about the interest rate in the different types of saving and credit accounts. In this 8 weeks in the Jibika Agriculture Co- operative Limited, the intern will get to know about various types of credit facilities provided by the co- operative to its members and facilitate in the operations of the credit department.

Thus, internship program broadens the knowledge and helps the intern to know about the procedures in the credit department.

The earliest record of a co-operative comes from Fenwick, Scotland where, in March 14, 1761, in a barely furnished cottage local weavers manhandled a sack of oatmeal into John Walker's whitewashed front room and began selling the contents at a discount, forming the Fenwick Weavers' Society.

There are a plethora of records of co-operatives started out as small grassroots organizations in Western Europe, North America and Japan in the middle of the nineteenth century, however, it is the Rochdale Pioneers that are generally regarded as the prototype of the modern co-operative society and the founders of the Cooperative Movement in 1844.

An independently formulated co-operative model developed in Germany by Friedrich Wilhelm Raiffeisen and Franz Hermann Schultz-Delitsch. Raiffeisen and Schultz-Delitsch originally formed credit unions in 1862. Since then the model has grown into other sectors and inspired the growth of financial co-operatives across the world.

The principles that underpinned co-operatives' way of doing business are still accepted today as the foundations upon which all co-operatives operate. These principles have been revised and updated, but remain essentially the same as those practiced by the Pioneers in 1844.

Today the sector is estimated to have around 1 billion members. Co-operatives employ, directly or indirectly, 250 million people around the world. The world's top 300 co-operatives by themselves have an estimated global turnover of 2.2 trillion USD, as revealed by the 2014 World Co-operative Monitor.

(Source: <https://www.ica.coop/en/history-co-operative-movement>)

Nepal has a long cultural tradition of informal community-based co-operatives including savings and credit associations popularly known as Dhikuti, and grain savings and Labor exchanging systems known as Parma and Dharma Bhakari. Similarly, Guthi provided a forum to work together for smoothly running different socio-cultural practices. Many of these traditional systems of cooperation are still functioning in the rural areas of Nepal. The first Co-operative Act was enacted by the government in 1960, which was followed by the Agricultural Co-operative Act (Sajha Sahakari). In 1963, the capital of savings and credit cooperative societies was converted into a Cooperative Bank in 1963, and in 1968 it was also converted into the Agricultural Development Bank of Nepal (ADBN). After 5 years the ADBN returned management back to the government and in 1975 the Cooperative Act was amended again.

Beginning in the 1980s a new generation of community based savings and credit groups began to emerge in Nepal. The Cooperative Act was amended for the third time to give the Government more control. By this time the Savings and Credit movement had spread throughout the country and the need for an apex coordinating body was evident. In August 16, 1988, the Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN) was formed.

After people's movement the new democratic government enacted the Co-operative Act and the Co-operative Regulations in 1992 and 1993 which permitted the establishment of a three tiered co-operative system, and provides a legal base both for the establishment of co-operative societies/unions/federations and application of cooperative values, norms and principles into practice.

Nepalese Cooperative movement has seen a lot of socio-economic as well as political changes. In 2008, Nepal was declared as a Federal Democratic Republic Of Nepal. In 2015, constitutional assembly successfully declared the new Constitution of Nepal which recognized the co-operative sector as one of the three pillars of the National Economy. In 20018 and 2019 new cooperative act and regulation were enacted. The new constitution has decentralized and delegated the authority to the Local and Provincial governments to promulgate the laws and acts that they need. Now provincial government and local level government bodies can promulgate and implement the cooperative law.

According to the Department of Cooperative the major types of co-operative societies operating in Nepal are Saving and Credit, Multipurpose, Dairy, Agriculture, Fruits and Vegetables, Bee Keeping, Tea, Coffee, Consumers, Science and Technology, and Energy. It is believed that around 6 million people are the members of 34,512 cooperatives and more than 60,517 people are employed directly in Cooperative business.

( <https://www.nefscun.org.np/cooperatives-in-nepal/> )

Jibika Agriculture Co-operative Ltd. Was established on June 8, 2014. It is located in itahari 17, pakali. The main objective of Jibika Agriculture Cooperation is to contribute to upliftment of the nation's economic and social sector through working in commercialization and modernization of agriculture sector. The cooperative is registered with the Cooperative Training and Division Office, sunsari. The cooperative has a nine member board of directors, an accounting committee of two members. There are 73 shareholders and 25 employees.

Jibika Agriculture Co-operative has a share capital of about 110 millions rupees. The organization has been running Jibika College of Agricultural science for three years by receiving affiliation from Agriculture and Forestry University. It has also been conducting agricultural training programs as well as environment friendly programs in collaboration with local farmers. (<https://edusanjal.com/college/jibikaagricultural-science-campus/>)

## **1.2 Objectives of the Internship**

The objectives of an internship are to provide practical, hands-on experience in saving and cooperative (JIBIKA), and to help develop new skills and competencies. In addition to these general goals, the specific objectives may vary depending on the nature of the internship and the needs of the organization offering the internship.

The objectives for an internship are:

- To study the credit policy and credit analysis systems prevailing in the cooperative.
- To gain acquaintance of loan recovery process regarding credit management
- To examine lending efficiency and its contribution to profit.

## **1.3 Methodology**

The methodology for an internship refers to the approach or plan for conducting the internship, including the steps and processes that will be followed to achieve the internship's objectives. The internship program serves as a framework for the study guiding the collection and analysis of the data, and also research instruments will be utilized. For the internship program descriptive research design will be used. Both primary as well as secondary sources of data will be used. After the collection of information, it will be analyzed from financial, operational, and interpersonal perspective. The internship will last for 8 weeks. Intern will be placed in credit department of the cooperative and the responsibility of intern will be to facilitate in the operation of credit department.

Research design focuses the frame or the whole structure of the study which describes the general plan for collecting, analyzing and evaluating the data and information for the further study. It serves as a framework for the study guiding the collection and analyzing the data. It is an integrated approach that guides the researcher in formulating, implementing and controlling research work. The internship report design is based on descriptive and analytical approach of research design where the report is described and analyzed using various data and information and the necessary suggestions are drawn to the concern group.

The data are collected using variety of techniques in this research. The internship report is based on both primary and secondary data. Due to the inadequate primary data, the secondary data have also been taken for the study.

### **Primary Data**

Primary sources of data collection are sources that provide first-hand information, such as surveys or experiments. These sources collect data directly from the original source, providing the most reliable and accurate data. The primary data used in the internship are collected through:

- Personal interview with the credit department head of the cooperative
- Direct interview with staff of the bank
- Observation during 2 months period of internship
- Work experience of the intern

### **Secondary Data**

Secondary sources of data collection are the sources that provide information that has been collected and processed by someone else. These sources collect data from existing sources, such as published research or statistics. The secondary data are collected through:

- Annual report of Jibika Agriculture Co-operation Limited
- Relevant books, journals and websites
- Earlier internship reports

#### **1.3.1 Organization Selection**

Choosing a company for an internship is a very difficult task. A reputable business house internship definitely increases the possibility of gaining more practical knowledge and also helps students feel more confident. Because they are studying banking and finance, interns prefer cooperatives in order to apply their theoretical knowledge to real world situations. According to the general rule of being an intern, it is necessary to remove the request for a college recommendation letter from the curriculum vitae in the Human Resource Development of any desired organization and furthermore, a follow up for the same is necessary. Finally, the intern chose Jibika Agriculture Cooperative.

### **1.3.2 Placement**

Jibika Agriculture Cooperative gave the intern an opportunity to do an internship at its customer service desk. Although, an intern does not have knowledge about the practical field except theoretical knowledge. Staff members of an organization helps interns during the internship period. Due to the guidance of staff members, interns learned about organizational environment, organizational culture and how the work procedures are carried out.

### **1.3.3 Duration**

The duration of internship was carried out for complete 8 weeks, an equivalent of 6 credit hours, as per the prescribed rules and regulation of Lincoln University.

Duration of Internship was from December 1, 2022 to January 30, 2023 AD.

Report the organization at 9:30am to 5:00pm.

The co-operative has closely monitored intern's attendance, performance and conduct at work place.

### **1.3.4 Activities performed in Customer Service Desk** The

major activities, task and duties performed under CSD are:

- To respond to the customers' enquiry.
- To receive the telephone call and response caller effectively.
- To assist the customer in filling different types of forms.
- To make necessary phone call.

### **1.4 Limitation of Internship**

The main limitations of this internship are:

- Restricted access over different sections and information due to private policy of the cooperative for confidentiality maintenance has shrunk the scope of exposure in it.
- The analysis, presentation and recommendation are made on the basis of interview, questionnaire which are made on the basis of practical knowledge.

## CHAPTER TWO



## **2. Brief Introduction of the Industry**

### **2.1 The Context**

A financial cooperative is a member-owned, nonprofit financial institution that operates under a members-first philosophy to serve a population's banking needs. A financial cooperative is a member-owned, nonprofit financial institution that operates under a members-first philosophy to serve a population's banking needs. A financial co-op may be able to offer lower fees and better rates because they are not seeking profits to return to investors.

The defining characteristic of a financial cooperative is its structure, which is typically member-owned and governed rather than investor-owned—a unique characteristic for a financial institution. The most common types of financial cooperatives are credit unions and cooperative banks. They're often locally-owned and operate as nonprofits. They also tout their values and customer-centric business model. Financial co-ops return revenue to members in the form of lower rates, fewer fees, and higher dividends. Cooperatives do not take the same risks as shareholder-owner banks because they are not after large profits. Thus, while many large banks suffered incredible losses during the financial crisis of 2008 and beyond, co-operatives were able to come out stable and strong. In fact, coops kept growing steadily during that time period.

Financial cooperatives are owned by members instead of outside investors, they don't have the same pressure to deliver profits. When a member applies for a loan, for example, they may be able to secure an interest rate lower than what a bank with investors would offer. Financial cooperatives play an important role in the financial systems of many countries. They act as a safe haven for deposits and are major sources of credit for households and small- and medium-sized firms. A not-for-profit orientation (in many cases) and a focus on maximizing benefits to members have ensured the enduring popularity and sustainability of financial cooperatives. This is particularly evident since the global financial crisis when financial cooperatives continued to extend credit to members as many profit-orientated commercial banks restricted credit to households and firms. Financial cooperatives, as locally based institutions, are well placed to acquire specialized local

knowledge through the cultivation of relationships between bank staff and the local community. These relationships facilitate the gathering of 'soft information' that can be used to mitigate screening and monitoring costs and more readily provide credit to informationally opaque borrowers.

Large complex banks are not considered to engage in relationship lending because they are at a competitive disadvantage when information about individual investment projects is innately soft.

Cooperative movement in Nepal began with the establishment of the first cooperative - Bakhani Multi-purpose Cooperative Institute - in Chitwan way back in 1957. With it, the first Cooperative Act was enacted in 1960. The cooperative movement, however, did not pick up momentum until the 1980s, when a large number of community-based savings and credit cooperatives came up across Nepal. In fact, liberalization and open market economy in the 1990s also helped the emergence of cooperatives in the country. As the cooperative movement spread to every nook and cranny of the country, the need for forming an apex coordinating body was acutely felt. As such, the Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN) was formed in 1988.

The first People's Movement brought about sweeping political changes in the country in the early 1990s. The monolithic Panchayat dispensation gave way to multi-party democracy, and the waves of liberalization and open market economy swept the country as in the rest of the world.

The cooperative movement also got a further boost. So to give a further shot-in-the-arm to the cooperative sector, another Cooperative Act was promulgated in 1992. The Act clearly stated that the government would no longer directly promote cooperatives, indicating they would have to flourish on their own. As desired by the government, cooperatives have since been growing by leaps and bounds. The Constitution of Nepal 2015 has recognized cooperatives as one of the three pillars of the national economy. Another Cooperative Act was promulgated in 2018 to help cooperatives keep abreast of the changing times.

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forum to work together for smoothly running different socio-cultural practices. Many of these traditional systems of cooperation are still functioning in the rural areas of Nepal. Nepalese Cooperative movement has seen a lot of socio-economic as well as political changes. In 2008, Nepal was declared as a Federal Democratic Republic Of Nepal. In 2015, constitutional assembly successfully declared the new Constitution of Nepal which recognized the co-operative sector as one of the three pillars of the National Economy. In 2018 and 2019 new cooperative act and regulation were enacted. The new constitution has decentralized and delegated the authority to the Local and Provincial governments to promulgate the laws and acts that they need. Now provincial government and local level government bodies can promulgate and implement the cooperative law.

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## **2.2 Present Situation**

Cooperatives are enterprises based on ethics, values, and principles. Through self-help and empowerment, reinvesting in their communities and concern for the well-being of people and the world in which we live, cooperatives nurture a long-term vision for sustainable economic growth, social development and environmental responsibility. The present situation of cooperatives in a global context can be shown as follows:

- More than 12% of humanity is part of any of the 3 million cooperatives in the world.
- The largest 300 cooperatives and mutual report a total turnover of 2,146 billion USD, according to the World Cooperative Monitor (2020).
- Cooperatives contribute to the sustainable economic growth and stable, quality employment, providing jobs or work opportunities to 280 million people across

the globe, in other words, 10% of the world's employed population.

As member-owned, member-run and member-serving businesses, cooperatives empower people to collectively realize their economic aspirations, while strengthening their social and human capital and developing their communities.

The International Cooperative Alliance is one of the largest non-governmental organizations in the world today by the number of people it represents: more than 1 billion cooperative members from any of the 3 million cooperatives worldwide. As of 2019, ICA members represent 34,837 cooperatives in Nepal with 6.5 million members and 68,400 employees. Cooperatives are present across diverse sectors including agricultural, financial and savings, consumer, multipurpose, electricity and health, among others. The Cooperative Act, 2016 was issued to institutionalize cooperatives in Nepal. Cooperative Law in 2018 B.S. and Cooperative Bank 2020 B.S. were established. After the promulgation of the Cooperative Act in 2048 B.S., the wave of establishing cooperatives began. Cooperative institutes have certain objectives and goals. Such organizations can function without external restrictions. Cooperatives are democratic organizations and are operated by the members elected or appointed by the members. The members have equal right to the profits from financial transactions. Cooperatives can play a key role for the strengthening of the economic system of Nepal. The cooperative teaches farmers to be economically independent. It promotes the feelings of production pride in the rural societies. It helps the locals in improving the quality of life as well as poverty alleviation. The establishment of multi-purpose cooperatives has played an important role in credit services available to farmers involved in agriculture and easy market access to improve rural living conditions. The presence of domestic and small industries is necessary for better rural living standards. So the capital required for the establishment of small and cottage industries are possible through cooperatives. Such organizations also contribute to the economic development in national periodic plans.

Cooperatives have a very great importance for us as a country. The purpose of these institutions is to meet the public expectations. So the possibility of cooperative development public can't be imagined without public participation. Developed nations have achieved much progress from cooperatives. We have to learn from experience and the progress of other countries to our advantage. Cooperatives can play a key role for the

strengthening of the economic system of Nepal. The cooperative teaches farmers to be economically independent. It promotes the feelings of production pride in the rural societies. It helps the locals in improving the quality of life as well as poverty alleviation. The establishment of multi-purpose cooperatives has played an important role in credit services available to farmers involved in agriculture and easy market access to improve rural living conditions.

The presence of domestic and small industries is necessary for better rural living standards. So the capital required for the establishment of small and cottage industries are possible through cooperatives. Such organizations also contribute to the economic development in national periodic plans. The local level cooperation, coordination and investment environment has been created from these organizations. New possibilities and identifying the needs are possible because of such institutions. The economy can be improved and unemployment tackled by the means of cooperatives. In the present scenario cooperatives are facilitating in providing long term as well as short term funds to the small and cottage industries in the local level.

### **2.3 Challenges and Opportunities**

Cooperatives are people-centered enterprises owned, controlled and run by and for their members to realize their common economic, social, and cultural needs and aspirations. Cooperatives bring people together in a democratic and equal way. Whether the members are the customers, employees, users or residents, cooperatives are democratically managed by the 'one member, one vote' rule. Members share equal voting rights regardless of the amount of capital they put into the enterprise.

As businesses driven by values, not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create sustainable enterprises that generate long-term jobs and prosperity.

Cooperatives allow people to take control of their economic future and, because they are not owned by shareholders, the economic and social benefits of their activity stay in the

communities where they are established. Profits generated are either reinvested in the enterprise or returned to the members.

The economic contribution of cooperatives is often undervalued, if not completely ignored. But the reality is that the top 300 cooperatives worldwide have a turnover of more than US\$ 1.9 trillion combined. Cooperatives have also played a key role in the economic crisis that erupted in 2008. ILO research shows that cooperative enterprises across sectors and regions are proving to be relatively more resilient to the current market shocks than their capital-centered counterparts.

cooperatives are responding to the needs of the labor market by mobilizing both skilled and unskilled workers. In Asia, particularly in India, cooperatives are helping to organize workers in the informal economy. In Africa, trade unions and cooperatives are working together to promote freedom of association and the right to collective bargaining. That does not mean that cooperatives are a panacea for workers and the economy as a whole. Depending on the country, cooperatives can face many challenges, one of them being how to attract young workers at a time when global youth unemployment is affecting more than 73 million young women and men, aged 15 to 24.

The challenges faced by cooperatives at global, national and local level are as follows:

- Lack of awareness: People are not well informed about the objectives of the movement, the contributions it can make in rebuilding society, and the rules and regulations of cooperative institutions.
- Limited Coverage: The size of the cooperative is very small. Most of these societies only have a small number of members, and they only operate in one or two villages. As a result, their resources remain limited, which makes it impossible for them to expand their means and extend their area of operations.
- Functional Weakness: The cooperative movement has suffered from an inadequacy of trained personnel right from the start. Co-operative play an integral part in the implementation of development plans and are important for the effective functioning of the banking system. The government should ensure the autonomous

and democratic functioning of co-operatives while maintaining the accountability of management to the organization's members and other stakeholders.

- **Missing the latest banking practices:** Co-operatives lack modern banking practices like net banking, mobile banking, online banking, e-banking, ATM banking, and all other modern banking practices. Due to this, they have been eliminated and remain on the back foot in the modern banking industry.
- **Corruption:** Corruption and mismanagement due to weak monitoring have led to difficulties and a lack of trust from members.
- **General management challenges:** There is a lack of understanding or knowledge by farmers about the co-operative structure and co-operative management. There is mistrust among co-operative members as well as amongst general members and the management / board. A key challenge within co-operatives is a lack of transparency between the governing board and the general members. There are often a lack of leadership and managerial and financial management skills.

Opportunities for cooperatives are given as:

- **Easy to form:** A cooperative society is a voluntary association and may be formed with a minimum of ten adult members. Its registration is very simple and can be done without much legal formalities.
- **Open Membership:** Membership in a cooperative organisation is open to all people having a common interest. A person can become a member at any time he likes and can leave the society at any time by returning his shares, without affecting its continuity.
- **Democratic Management:** A cooperative society is managed in a democratic manner. It is based on the principle of 'one man one vote'. All members have equal rights and can have a voice in its management.
- **Limited Liability:** The liability of the members of a co-operative society is limited to the extent of capital contributed by them. They do not have to bear personal liability for the debts of the society.

- **Stability:** co-operative society has a separate legal existence. It is not affected by the death, insolvency, lunacy or permanent incapacity of any of its members. It has a fairly stable life and continues to exist for a long period.
- **Economical operation:** The operation of a cooperative society is quite economical due to elimination of middlemen and the voluntary services provided by its members.



### **CHAPTER THREE**

### **3. Brief Introduction of the Organization**

#### **3.1 Context**

Jibika Agriculture Cooperative Ltd. Was established on June 8, 2014. It is located in Itahari 17, Pakali. The main objective of Jibika Agriculture Cooperative is to contribute to upliftment of the nation's economic and social sector through working in commercialization and modernization of agriculture sector. The cooperative is registered with the Cooperative Training and Division office, Sunsari. The cooperative has a nine member board of directors, an accounting committee of two members. There are 73 shareholders and 25 employees.

Jibika Agriculture Cooperative has a share capital of about 110 millions rupees. The organization has been running Jibika College of Agricultural science for three years by receiving affiliation from Agriculture and Forestry University. It has also been conducting agricultural training programs as well as environment friendly programs in collaboration with local farmers.

Jibika Agricultural Cooperative Ltd. consists of experienced, professional and qualified team working together. Jibika Agricultural Cooperative Ltd. offers innovative products and services to all the people of different categories. And offers products that contributes toward the economic development needs of the society and the nation. Jibika Agricultural Cooperative Ltd. works for offers services for all category people poor, marginal, and people living at the bottom of the society. Jibika Agricultural Cooperative Ltd. focus on livelihood, public health, employment, environment, agriculture, humanitarian service and the welfare of the society. Target client of the cooperation are women, farmer, labor, needy people, student and children.

The cooperative has made balanced and growth throughout the past few years and is now positioned to expand into new market. Jibika Agricultural Cooperative Ltd. is a special form of endogenous financial organizations, which is formed in accordance with the principle of cooperative. Management team comprises of experienced, qualified and professional who have good knowledge and experiences of cooperative. The management team of Jibika Agricultural Cooperative Ltd. consist of 25 staff working in the office. There is a secretary in cooperation, a manager, a loan officer and 3 staff in CSD and cash Counter.

The cooperative organization provides various service and facilities of agriculture for all the members associated with this cooperative limited. Jibika Agricultural Cooperative organization provide saving and credit and other financial services to its members of Itahari. Around Rs.2 crore credit in total has been given to the various members of the cooperative. Cooperative focuses on livelihood, public health, education and other humanitarian service of the people.

(Source: Official Report of Jibika Agriculture Cooperative Limited, 2076/79)

### **3.1.1 Vision**

The vision statement of cooperative describes the core values and purpose of the cooperatives. The vision of Jibika Agriculture Cooperative Ltd is “to be a trusted cooperative organization by the people and society”

### **3.1.2 Mission**

The mission of Jibika Agriculture Cooperative Ltd. is to offer saving and credit and other financial and non-financial service to the members of the cooperative at a reasonable price and a reasonable interest rate.

### **3.1.3 Objectives**

Jibika Agricultural Cooperative Ltd. Has following objectives:

- To offer saving and credit services at reasonable rates of interest.
- Engaged in various social activities in the society.
- To help the poor and backward people in uplifting their financial condition.
- To provide secured future for its internal employees and to the organization members.
- To facilitate in commercialization and modernization of agriculture sector.

## **3.2 Present Situation**

The organization structure of Jibika Agriculture Cooperative Ltd. Pakali, Itahari, consists of functional organizational structure. Manager of the cooperative is the head of the organization and leads the organization. Mr. Puskar Tiwari , current manager of the

organization supervises the employees and make a decision further which can be discussed by the founding member and the secretary. There are 73 shareholders member who has been involved in an organization. . Around Rs.20 million credit in total has been given to the various members of the cooperative. Member can deposit minimum Rs 200 in monthly basis.

Jibika Agriculture Cooperative a stable and progressive organization of the society. The number of members is in increasing line. The well organized and managed organization has a great contribution in uplifting economic condition of the people. By developing and maintaining meaningful relationship through stakeholders and members, the cooperative has been able to continuously improve its relation with the stakeholders and in building trust needed for expanding business.

### **3.2.1 Products and services**

There are various product and services offered by Jibika Agriculture Cooperative Ltd. to the diversified and all category people of the society. Saving and credit is the major services offered by the cooperatives.

#### **Bal Bachat (Child Saving)**

Bal bachat has been designed to promote the habit of savings amongst the parent for a secured future of their children. Minimum Rs. 100 can be deposited in this saving. Rate of interest is 8% per annum.

#### **General Saving**

Most of employee who have a habit of saving some money form their income prefer this kind of saving. In this saving people can made deposit and withdraw as per their requirement. Minimum amount for saving is Rs.100 on a monthly basis. Rate of interest is 8% p.a. **Daily saving**

This saving is suitable for those person who runs business either that is small, medium or large. Small amount can also be deposited in daily basis according to their desire. Rate of interest is 6% p.a.

**Monthly saving**

All the member who is involved in the cooperative does this kind of savings. It is compulsory for the member to deposit minimum Rs.200 per month. Rate of interest is 8% p.a.

**Jestha Nagarik Bachat (Senior Citizen Saving)**

Jestha Nagarik bachat is for the senior citizen who wills to deposit and save money. Any citizen above 60 years are eligible for this kind of savings. Rate of interest is 7.5% p.a.

**Pension Saving**

This kind of saving is for those clients or member who wants to secure their future. They cannot withdraw their deposited amount for 10 years after 10 years they can withdraw their double deposited amount. Rate of interest is 10% p.a.

**Agriculture Loan**

Farmer whose livelihood is depends upon agriculture prefer this kind of credit or loan. Loan is given for a 10 years period. Payment can be done on a monthly installment basis. Minimum credit amount is Rs.10,000 and maximums Rs.10,00,000. Interest rate is 12% p.a.

**Household facility loan**

This loan is given for 1 to 10 years. Customer can get minimum Rs. 10,000 to maximum 50,00,000 and payment can be done in a monthly installment basis. Rate of interest is 14.50% p.a.

**Housing loan**

Cooperative provide minimum Rs.100,000 to maximum Rs. 50,00,000 at 14% interest rate. Mode of payment is monthly installment basis and maturity period is 10 years

**Business loan**

Person who are willing to open new business can get this kind of loan at 14.50 % interest rate. Minimum amount is Rs 10,000 and maximum is Rs. 50,00,000. Loan is given for 1 to 10 years period and payment can be done on a monthly installment basis.

**Educational loan**

Student who has a weak financial condition can get loan in a reasonable interest rate at 14% p.a. student can get minimum. Once the loan is taken, student can do payment in monthly installment basis.

Besides saving and credit services, the cooperative provides several product and service such as:

- Agricultural equipment and facilities.
- Public health
- Humanitarian services

(Source: Official Report of Jibika Agriculture Cooperative Limited, 2076/79)

### **3.3 Challenges and Opportunities**

Challenges and opportunities of a cooperative can be identified by the doing SWOT analysis. SWOT analysis is a simple but useful framework for analyzing your organization's Strengths, Weakness, Opportunities and Threats. SWOT analysis is done to analyze the internal and external forces that affect the organization and also to understand the opportunity and threat in external environment.

SWOT analysis of Jibika Agricultural Cooperative Ltd:

#### **Strengths**

Good and friendly working environment. Diversified product and services. Well qualified, experiences and professional team. Good relationship between employee and customer.

#### **Weakness**

The biggest weakness Jibika Cooperative Limited is that it doesnot have any branches. There is poor and insufficient marketing. Infrastructure of cooperative is not better.

#### **Opportunities**

Entering and capturing new market by taking the advantage of technologies and competition. Adding more product, service and offering to the members. People are more interested in cooperative activities. Developing the well-equipped infrastructure and facilities.

#### **Threats**

Changing customer preferences. Technology is changing day by day. Competition in the market. Unstable government and changing rules and regulation. Fluctuation in interest rate. Employee turnover rate.

Here SWOT analysis is the major tool for analyzing challenges and opportunities of an organization as well to study the strengths and weakness of an organization. Thus the

organization uses its strengths to grab the opportunities and minimize the threats. Most of the organization use this tool to formulate rules, regulation, plan, policies and strategies for achieving their goal.

## **Chapter Four**



#### **4. Analysis of activities done/problems solved**

This chapter mainly focuses on the activities performed by the intern during the internship period. The purpose of internship is to provide student an opportunity to understand the real world, practical knowledge, working environment and several other factors involves in day to day operation. Analysis of activities is a crucial part of report. During the whole internship period, intern was placed in Customer Service Department. The opportunity to work at CSD was very fruitful for the intern. As the intern got an opportunity to learn and understand the major task performed at the respective department even in the short period of time.

##### **4.1 Introduction of the activities/ department/ section**

During 2 month of internship period, an intern was placed in Customer Service Department (CSD). Internship is a valuable opportunity for the intern to learn the real working environment, to know the cooperative industry and dealing with customers. Customer Service Department is also known as the Front desk of the organization. Customer service is the process by which an organization delivers their products and services to the clients and the publics. Hence, the CSD plays a vital role to satisfy the clients and publics.

The major activities of CSD is mainly to ensure that all of the questions and problems and enquiry of the customers are answered and solved. The image and reputation of the bank depends upon the effective functioning of this department. It is the first place where the customer first gets the service and has the first interaction with the staff. Customer Service Department is the department where customers can several services and facilities of organization such as getting information, opening account similarly closing account, balance, loan, interest enquiry as well as queries related to organizations services and facilities.

Some of the functions of CSD are listed below:

- Promoting products and services of the cooperative.
- Providing information about service to the customers.
- Building strong relationship with the customers.
- Maintaining and managing the accounts.
- Opening and closing the accounts of the clients.

- Responding to customer enquiry and telephone handling.
- Assisting other department by providing needed information.

#### **4.2 Role of the intern and fitting in the organization structure (responsibilities)**

Several duties and task were performed in CSD under the guidance of junior as well as senior staffs during the internship. Some of the role and responsibilities that has been undertaken during the internship period at CSD of Jibika Agriculture Cooperative. Ltd. are as follows:

##### **Customer handling and providing information**

CSD is mainly responsible for handling customer enquiries, problem and providing information to the customers. CSD basically listen all problem of customer related to the cooperatives and sort out their problem as soon as possible. Similarly CSD receives all the call from the customers and answer them professionally and politely. The intern has to provide information of the cooperatives and regarding its service to the customers whenever they made an enquiry. The intern convince the customers.

##### **KYC Update**

KYC stand for Know Your Customer. The vital role of the CSD as well the intern is to understand their customers. The goals of KYC (Know Your Customer) is to keep helpful from being utilized, purposefully or unexpectedly, by criminal components for tax evasion exercises. The course of KYC involves distinguishing and client and checking the recognize by utilizing solid and autonomous archives or data.

Providing forms and assisting customers to fill the form

There are several forms according to the accounts which needs to be filled by the customers and there several clients who finds difficulties in filling the form.in that case intern are supposed to assist those customers who finds difficulties while filling the form. The intern assists clients to fill up different forms like account opening, saving and deposit, account closing from and many more. Checking the required documents to open the account.

While opening accounts CSD needs several documents of the clients and intern insure all the required document are collected or not. The intern has to find out documents like photos, citizenship, birth certificate of minors etc. are missing or not while opening the

accounts as these all document are must needed to open the account, taking loan and getting other service on Jibika Agriculture Cooperative ltd.

#### **4.3 Experiences in the internship including understanding of system, process and rationale**

Working in CSD is basically interesting as well as challenging because intern does the interaction with every kinds of people and dealing their queries so it is interesting as well as challenging. Adjusting to a new work place with unknown duties and responsibilities, punctuality, time bounded and completing given task as per schedule are very challenging. During the internship, intern got a chance to know about various products and services offered by the cooperatives to the customers. The main objectives of internship is to make students familiar regarding some financial operations. While performing the task in CSD of Jibika Agriculture Cooperative ltd., intern face several problems as well as gain fruitful experiences. Some of the experience gained during the internship period are given below:

- Sometimes customer visits cooperative to open account without bringing required documents.
- Some customer were unable to read and write so it was kind of difficult to convince them about the product and services of the cooperatives.
- During the overcrowd in the organization, intern get panics which lead in the delay of service that ultimately dissatisfied the customer and creates the worse situation.
- During employee absenteeism in CSD, Intern has to handle the whole work to insure timely operation within the department.
- Due to the differences on age group, languages, culture of the different clients, intern felt difficulties in communication. Some clients cannot speak in Nepali properly which makes difficulties to understand their queries and make them understand
- Cooperative environment is dynamic but customers don't accept changes. Change may be on interest rate and document. to solve those problems, intern had to talk with customer and tell them about the policies, rules and regulations.

#### **4.4 Emergence/ occurrence of issues, problem or challenges and how these problems were solved/ addresses**

During the internship period intern faced and analyzed various problem and solved them systematically solely as well as taking help from the supervisor, staffs. CSD and problem are inseparable because all the problem of the customer are listened by the CSD and solved by the CSD. One of the major duties of the CSD is to solve the problems.

Following are the problems faced and solved during internship:

- At the opening and closing time of, work load is very high. Sometimes it is difficult to finish work in in the specified right time. To solve work overload problem, increasing the number of working hands to reduce the workload.
- Unsystematic management and handling things is a major problem so in order to reduce it files should be alphabetically arranged in the date wise format and keep in a systematic way. This lead to smooth operation and time saving.
- Also problem related to employee mistake is another problem that directly affect the customer expectation and satisfaction so employee should concentrate and well-focused on workplace and gives their best effort in the workplace.
- Sometimes computers performance was slow in order to solve these problem IT personnel should constantly check the errors and update the software according to the error.
- Identifying the complaints, grievances of the customers through their feedback and queries so as to make the service delivery more effective.

#### **4.5 Observed Gaps**

During internship, intern experience the real working environment of Jibika Agriculture Cooperative Ltd. intern applied the theoretical knowledge into practical field in order to understand environment more precisely. An intern found that theoretical knowledge is also equally important to the practical knowledge in the real working environment. There is a high competition between cooperatives, as all cooperatives offers the similar products and services. so the cooperative has to be update with the current technology and needs of customer. During internship at Jibika Agriculture Cooperative Ltd. following gap has been observed:

- Higher importance should be given to customer satisfaction but there lack of culture in taking customers advice and learning from it.
- Cooperative should make their website and pages in social media as technology is rapidly growing and changing the market.
- Cooperative has no any branches so cooperative should expand the branches.
- Technical errors are often found during work.
- Unsystematic management of the files, format, and form are found.

After analyzing the gaps and problems intern find some solution to solve some of the problems. Following points are some possible solutions to those gaps and problems:

- Cooperative should adapt technological changes and make their organization websites and pages so that public can easily know the product and services of the cooperatives.
- Cooperative should have IT department to solve the problem relating to technical errors and to update system and software.
- Also cooperative should plan on expanding the branch.
- Cooperative should focus on customer relation management and thus, should treat each customer equally.

## **Chapter Five**

## **5. Conclusion/ Lessons learnt**

### **5.1 Inferences Drawn**

Jibika Agriculture Cooperative Society Ltd., is a reputed and trustworthy saving and credit cooperative organisation situated in Pakali, Sunsari registered in June, 2014. Jibika Agriculture Cooperative Ltd. is registered under cooperative act 2058 and transacting since its establishment. The organization structure of Jibika Agriculture Cooperative Ltd. consists of functional organizational structure. Manager of the cooperative is the head of the organization and leads the organization.

There are various product and services offered by the cooperative to the diversified and all category people of the society. Saving and credit is the major services offered by the cooperatives. The cooperative also provides agricultural facilities to its members. It also provides credit and other financial facilities to its members. Cooperative also provides various service and facilities of agriculture for all the members associated with this cooperative limited.

The Cooperative has successfully upheld a positive work environment, work ethics, order, and respect among employees. In order to provide the best services to their customers and to gain a competitive edge in the cooperative market, the cooperative has always moved forward by adopting cutting-edge technology. The cooperative organization has always sought to build long-lasting relationships with its clients by providing superior services to competing businesses.

The goal of an internship is to give students the chance to learn about the real world, practical knowledge, the workplace, and various other factors that are involved in day-to-day operations. After completing a two-month internship at CSD in Jibika Agriculture Cooperative Ltd., the intern gained experience in the company's real working environment and put his or her theoretical knowledge to use in the real world to better understand the environment. An intern discovered that in the actual workplace, theoretical knowledge is just as crucial as practical knowledge. The intern noted the main tasks carried out by CSD; all queries are expertly handled by CSD. The efficient operation of this department is crucial to the bank's reputation and image. The customer comes here in the first place and interact with staff members.

Throughout the internship, I performed a variety of tasks for CSD under the supervision of senior and junior staff. The intern's duties in CSD included dealing with customers and providing information, getting to know your customers, providing forms and assisting customers in filling them out, and checking the necessary paperwork to open an account. Thus, one of the main goals of an internship is to familiarize students with some financial processes. The intern encounters many challenges while working in the CSD of Jibika Agriculture Cooperative Ltd., but they also gain valuable experience. The intern encountered a variety of issues during their time as interns, learned about them, and came up with professional, methodical solutions on their own, as well as occasionally asking for assistance from the supervisor and staff. Since all customer problems are heard by CSD staff members and resolved by CSD, CSD and problems go hand in hand.

## **5.2 Overall experience, learning, knowledge gained**

An internship is a temporary opportunity to gain practical knowledge and skills. An internship provides the opportunity to gain real-world experience, develop technical and interpersonal skills, and learn new skills. It was a fruitful opportunity to experience various types of real working environment situations during the two months of the internship and identify the appropriate way to deal with those situations. An intern observed the organization's operating procedures, ethics, code of conduct, professionalism in the workplace, client interaction procedures, organization culture, and many other things throughout the internship.

As a result, the intern had the wonderful opportunity to work with the team at Jibika Cooperative Ltd., who helped the intern to gain practical and technical knowledge and gave him or her a stage on which to demonstrate their ability to complete tasks and the value of punctuality and time. Even though the internship lasted for only two months, that was not long enough to fully comprehend the cooperative system or all of the organization's policies. The following list of lessons learned while interning in CSD at the cooperative:

- Mastered the use of a number of technologies in the cooperative organization. Such as a scanner, photocopier, and other devices.



- In a similar way, I gained knowledge of the paperwork needed to open accounts as well as the procedure for doing so.
- Learned how to deal with a variety of situations in an effective and efficient manner.
- Learned about the cooperative's goods and services.
- Discovered the responsibilities and duties of the customer service department.
- A professional approach to dealing with customers was learned.
- Learned the organization's policies and procedures.
- Learned the value of customer satisfaction and the variables that influence how customers view products and services

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