

Accounts

Business Policies

Fixed-Deposit

- 1) The amount is deposited once, and the deposited amount cannot be changed according to user, because there are no transactions, the amount is changed automatically by the bank depending upon the interest rate applicable, and the charging amount if the loan limit is exceeded [Ref Loan(3)].

2) Interest

- 1) Interest depends upon time for which the amount is fixed deposited, the Interest to be given, is calculated at the time of deposit, and is constant after that, computed half yearly.

- 2) Interest [One Time Calculation] :-

<u>Time (For Deposit)</u>	<u>Interest</u>
6 months	2%
12 months	2.5%
18 months	3%
6*x months	$(2+.5*(x-1)) \%$

- 3) The interest is added to the current fixed deposit amount, and is calculated on the current fixed deposit amount

3) Loan

- 1) This is the amount a user can take from bank, and has to be returned to bank after some fixed amount of time. There will be some interest that would be taken by bank on the given loan.

- 2) The last date for loan repay, should be before the last date of fixed_deposit.

- 3) Maximum loan that can be taken :- 80% of the current fixed deposit amount.

- 4) Interest [One Time Calculation] :-

<u>Time (For Loan Repay)</u>	<u>Interest</u>
6 months	3%
12 months	3.5%
18 months	4%
6*x months	$(3+.5*(x-1))\%$

4) Tax

- 1) As the person with fixed deposit account is incoming some interest from

the bank, that would be treated as his/her income, and hence he/she has to pay tax to government

- 2) As our system is hypothetical, the user will itself tell the application if he/she is eligible for tax.
- 3) There is a fixed date [1st Jan] when we will check, if the annual interest to that date is greater than Rs.10000, if this is the case and the user is eligible for taxation, then we will deduct 10% of the annual interest from the fixed deposit current amount.

Example :-

Start account -> August

Check Date -> 1st Jan

Interest from August to 1st Jan -> 0

No Tax

Check Date -> 1st Jan (next year)

Interest from 1st Jan (previous year) to 1st Jan(today)

Interest = $x\%$ of fd (for first half-year)+ $x\%$ of fd' (for second half-year)

If(Interest > 10000 && Eligible For Taxation)

Deduct 10% of the current fixed deposit from current fixed deposit

5) Premature Withdrawal

- 1) If the user takes out the fixed deposit amount before the last date of the fixed deposit, he/she will have to pay some penalty.

2) Penalty

<u>Penalty</u>	<u>Last Date - Current Date</u>
1%	<6 months
2%	<12 months
4%	<18 months
8%	<24 months
$2^n \%$	< $6*n$ months

6) Deposits And Withdrawals

As the amount is deposited for fixed interval of time, the amount can not be withdrawal from the account before the interval ends, hence we don't have the withdrawal means like :- ATM, CREDIT_CARD or Online Transactions.

Valid means of Deposits

Cash / DD / Account transfer.

Valid means of Withdrawal

Cash / Cheque / DD / Account transfer

Savings Account

1) This account is meant for the personal use of an individual and is usually not used for commercial purposes, this account is basically distinguishes an individual account and an organization account. This account generally has lesser number of transactions compared to current account.

2) This account should have a **minimum balance** associated with it.

3) **Interest** :-

There will be a fixed interest given to a user on the basis of daily computation. The interest calculated is 4% per year, hence interest for a single day is $(4/365)\%$ of the savings account balance. The interest calculated will be added to the savings account balance daily.

4) **Withdrawal Methods:-**

- ATM Transaction
- Cheque
- DD
- Loan EMI
- Credit_Card
- Account To Account
- Online Transaction

5) **Deposit Methods**

- Cash Deposit
- Cheque
- DD
- Account To Account
- Online Transaction

6) **Transaction Bounds**

- Maximum number of transactions per day = 5
- Maximum amount transacted per day = Rs. 10,000

7) **Taxes And Charges**

With the services provided by the us there are some charges charged by us as follows :-

- ATM Charges
- Passbook
- Cheque Book
- Interbank Transaction,
- Account Transfer Charges

Current Account

1) This account is basically used for commercial purposes when we have huge number of transactions.

- 2) The Deposits/Withdrawal methods, Taxes and Charges are same as the savings account.
- 3) There are no interest given on this account.
- 4) There is no limit on the number and amount of transaction through this account.

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