

Assignment 2 (individual) - Paper Summary

Due: Friday Oct. 7, 11:00pm

Instructions:

Write a summary of your paper you found using the ACM library (the paper should be 4-8 pages). Use the following template to help you disseminate the paper in a way that will help you learn more about the topic. You need to coordinate with your teammates to make sure that you don't use the same paper and that all the group's papers are related to the topic (and will help you with decision making).

Do not cut and paste from the paper. This is to be in your words, based on your own interpretation. Use the template to help you organize the paper summary, but it is to be **formally written** (e.g., in paragraphs, and in the third person), unless stated otherwise. It should be 1.5 – 2 pages long (2 pages max) at 11-point font.

Name:	Sagarkumar Pankajbhai Vaghasia
Project Team Name:	GOLD

Paper Information:

Title:	Personal Finance
Author/s:	Kathleen Sindell
<u>Full Reference</u> (ACM format) Kathleen Sindell. 2003. Personal finance. Encyclopedia of Computer Science. John Wiley and Sons Ltd., GBR, 1397–1400.	

Summarize the paper in one to two paragraphs. Describe what problem the researchers are studying and why/how this relates to your topic:

It is tedious task to track expenses and income manually. Therefore, nowadays people are increasingly using applications and software's that are designed specifically for budgeting, banking, financial planning, investing, retirement planning, and tax preparation chores which are known as personal finance applications. These applications are easy to use, and it shortens the time required to perform financial tasks. Apart from this, applications allow individuals to structure budget that are used to meet financial goals like increase savings and getting insights of the expenditure. There are two kinds of financial software's available in the market which are proprietary bank software and personal finance software. Proprietary bank software is limited to only performing bank related activities like accessing the personal financial data and using bank's dial-up instructions. Whereas personal finance software permits users to issue electronic payment instructions and download their personal finance data to their machine in the form of spreadsheet or other formats.

People can perform the following operations in the application : budgeting, checking, and paying bills, financial planning, investing and portfolio management, mortgage information, small or home business advice, tax planning. Also, getting insights in the form of reports and charts is the best way to analyse the data. Therefore, personal finance applications are the way which makes people lives easier to track and manage their expenditures and income.

How did the researcher/s' study this? (e.g., describe the study/studies that they did, the number of participants, the type of participants, how long the study took, etc.)

The researcher's study this by analysing the financial management applications and software available in the market. They took home banking, proprietary bank software and personal finance software for study which allows users to get electronic payment instructions and download their personal finance data. Researchers also used middleware such as Microsoft's OFX, Intuit's Quicken, Microsoft Money which extends the capabilities of the personal finance. In 1995, 19 banks provided their users to download account information and pay bills which was subscribed by 20,000 bank customers only. By 1998, about 2.5 million of 4.4 million online banking households subscribed to the services of more than 350 financial institutions. In 1995, personal finance software sales totaled just \$212 million, but sales are expected to reach \$1.2 billion by 2003.

Summarize the results (what were the top three “take home messages”):

One click updates functions allowed users to complete internet-based online transactions. This makes the personal finance software and applications more effective compared to the standalone software products. They also provide online banking, investing and tax planning. People are also preferring to use the personal finance applications and software's as it provides many other functionalities too which make their life much easier than previously. It allows users to access the web to trade shares, transfer funds and retrieve statements from credit card companies and brokerage houses. In 1995, only 20,000 people subscribed to the services provided by bank which were online. By 1998, 2.5 million people subscribed services from over 350 institutions which kept on increasing and by 2003 it reached to 25 million subscribers. The results clearly give idea about how number of people are increasing who are using personal financial applications.

How do the results relate to your topic?

Our topic is based on spending, saving and bill tracking which helps people to have an eye on their expenditure, their income and tracking their expenditures. As people are more relying on internet and smartphones, they want things to be done at their fingertip. From the results we have seen that number of people using financial applications are increasing and they will increase in future. Thus, its an opportunity to develop unique features compared to the features which are available in the past. The results give us the insights about the exponential growth of number of people who are interested in performing financial activities from their smartphones. It also shows us the engagement of people in financial activities related to spending and all.

If the researchers made recommendations at the end of their study, what were they? If they did not make explicit recommendations, what do you think the main recommendations would be? (this section does not need to be written in paragraphs – you can use bullet points instead).

The researchers made many recommendations at the end of their study. They are :

- In future, the personal financial applications will be value added browsers and the features that are currently available will be faster and more convenient for the users.
- It will be very difficult for financial institutions to brand their products as consumers will be more using personal finance applications rather than software and applications provided by financial institutions.
- The people who choose not to use personal financial applications will be more likely to suffer from the results of inaccurate bank information, improperly prepared tax returns, and losses due to lack of monitoring.

How do these recommendations relate to your topic?

These recommendations give us the knowledge of how important the personal financial applications are in daily routine. Besides this, the market research and results clearly state that there is huge competition among finance management applications. So, it will be very tough for a newer product to survive in the market unless they have unique features to offer. The recommendations also refer to the people who are not using personal financial applications as they are losing many things. Thus, we must develop such an application which will provide maximum benefits and insights to the user.