Design and Study of Financial Transaction Model for BUID

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ABSTRACT

The paper has tried to focus to remove the drawback of current financial system by introducing the financial transaction model will be worked through customer's BUID ((Bank unique Identification) coded card. The BUID can be easily unified in current financial system. ATM, Kiosk, Funds, Call Center, Internet, Portal and Mobile with BUID will be used to make transaction using financial transaction model in overall financial system. The BUID will be well-built to execute a position to augment the present financial core system for Bank, Insurance, Shares, Bonds, Post Office, Income tax, Import/Export and loans through several channels. Here the financial transaction model is designed to connect all financial institutes in a network and the data of customers are stored in Data Warehouse through data mart. This model will help in decision making process by using OLAP and OLTP tools. The main advantage of financial transaction model with BUID will become dynamic to perform a role to boost up the present financial system.

1. INTRODUCTION

Financial system uses core applications to support their operations where CORE stands for "centralized online real-time exchange". Core banking solutions is new jargon frequently used in banking circles. The advancement in technology, especially Internet and information technology has led to new ways of doing in financial system. Electronic funds transfer between banks, online trading in the stock markets etc. can be done using BUID, which were unheard in present era of Core Banking System. This basically means that the entire financial institute branches access applications from centralized data centers. The deposits are made reflected immediately on the servers and the customer can withdraw the deposited money from any of the bank's branches throughout the world [1]. These applications now also have the capability to address the needs of corporate customers, providing a comprehensive banking solution but still core banking solution have some limitation that the system cannot identify the customer accounts transactions of different bank's branches. The transaction model is designed for transaction process using overall financial system and the data of customer is stored in Data Warehouse through data mart with BUID. Banks will make available all transactions across multiple channels like ATMs, Kiosk, Funds, Call center, Internet, Portal and Mobile using customer BUID.

Bank unique identification code of customer to enhance the current financial core System using transaction model and the core system has radically changed the way in which financial system functions. This new concept of BUID has changed the way of working and defines a core banking system as a back-end system that processes daily banking transactions, and posts updates to accounts and other financial records. The greatest advantage of having a Core Bank System is that new features and functionalities can be easily added to the proposed system. Using BUID card of proposed system, the customers can manages his financial needs and transactions using financial transaction model. The government authorities like Income Tax department, Financial Industry Regulatory Authority, Financial Services Authority, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Forward Markets Commission (India) (FMC), Insurance Regulatory and Development Authority (IRDA), etc can easily centralized managed and overall control on all financial system through maintaining data warehouse of either individual or a group [2].

Here, computer software is developed to perform core operations of banking like recording of transactions, passbook maintenance and interest calculations on loans and deposits, customer records, balance of payments and withdrawal all these things happens using financial transaction model.

All these facilities have made available to customers using the concept of Data Warehouse where it is a repository of subjectively selected and adapted operational data, which can successfully answer any ad-hoc, complex, statistical or analytical queries. It is situated at the centre of a decision support system of an organization and contains integrated historical data, both summarized and detailed information.

Electronic funds transfer between banks, online trading in the stock markets etc. can be done using BUID, which were unheard in present era of Core Banking System. Any financial organization who wants to interact with customers and share information within the organization from top to bottom can manage through data warehouse [3].

2. Flaws in present financial transaction system

Core banking solutions is new jargon frequently used in banking circles. The advancement in technology, especially Internet and information technology has led to new ways of doing business in banking. Financial sector in general and banking industry in particular have under gone transformation due to induction of Information Technology (IT) [4]. Financial systems have been in the fore front in use of technology. These technologies have cut down time, working simultaneously on different issues and increasing efficiency. The platform where communication technology and information technology are merged to suit core needs of banking is known as core banking solutions [5]. Though we have above benefits from today financial sector and IT but in present core financial transaction scenario the customer's first real contact with channel like ATM, Kiosk, Funds, Call Center, Internet, Portal and Mobile to request intuitive perception transaction will be happened. Thus after doing numerous transactions, entries are made in their own self system. Such transactions are not sense with other financial system or other financial institutes and therefore government authorities like Income Tax department, Financial Industry Regulatory Authority, Financial Services Authority, Reserve Bank of India (RBI), Securities and Exchange Board of India

(SEBI), Forward Markets Commission (India) (FMC), Insurance Regulatory and Development Authority (IRDA), etc cannot collect customer's transactions information from one core financial system. The present core banking system doesn't provide the bank universal unique identification code and cannot identify the customer transaction of different accounts at one place or under one roof. The current system cannot investigate turnover of customer from different account in self system.

2.1 In Above Process There Are Various Flaws in Present Financial Transaction System,

These Are –

1. In present core financial system, while making transaction, no records are verified, that whether the customer have any previous accounts or transaction in the same branch/bank or in overall financial system.
2. The present system is account centric but not customer's transaction centric [2].
3. Here, it doesn't give any details about the customer in sense of, how many type of transaction performed in different account in overall financial system and how many accounts are there in different banks in different locations and its historical data.
4. In present financial system, it doesn't provide transaction using bank universal unique identification code under one roof of financial system [6].
5. In current core system the financial system cannot identify the customer transaction of different accounts at one place [2].
6. The current system cannot investigate turnover of money from different account of same customer in self system [2].
7. The current financial system cannot easily detect the defaulter and cannot able to take suitable action.

3. FINANCIAL TRANSACTION MODEL

In financial transaction model proposed BUID concept will be evolved over a period and grown exponentially encompassing an entire gamut of products and transactions under a wide umbrella in financial sector. Core Banking Process for a bank is thus a generic term for the complete administration of transactions for the bank through a central database using BUID code. All such activities undertaken by a bank using the concept of BUID is included in proposed financial transaction model system.

To make the transparency in customer processes, channels, customer information and management tools are integrated and administered through a central database of the bank with branches using BUID code and It also supports configuration of features, structure, commission, redemptions, relationship pricing, customer communication and a wide range of related properties and entities for structured products, distribution of insurance products and distribution of funds. The BUID core system is tightly integrated with the banking and CRM and transaction processing with proposed financial transaction model [6]. It also proposed a powerful range of offerings for corporate banking.

3.1 Model Description

The present core system is account centric but proposed core financial transaction model system is customer's transaction centric. The financial transaction model will be provided the bank unique identification code and can identify the customer transaction of different accounts at one place. Financial transaction model will be overcome the above drawback. The system will investigate the turnover of money from different account of same customer in financial transaction model using BUID. Financial transaction model can easily blend with present system, so that the present system can be easily changed into new one.

The concept of BUID will help to maintain and monitor the complete transactions of a customer accounts (individual/group/society) in financial transaction model. The BUID will maintain transparency in customer's accounts and its transactions through model. The government can monitor and easily make decisions regarding financial crises. The Income Tax department need not worry to maintain and control individual details and transactions of customer accounts for Income Tax purpose. The BUID card will be better alternative than the PAN card, since the BUID card maintains biometric detail and his income details [6]. Under this model, all financial sectors, including Government, Private, and Public will work under one roof. Financial transaction model can easily detect the defaulter and can take suitable action. This model will help to control and monitor the Income details, Transaction details and other details of the customers. As we are maintaining Data Warehouse, the data will be stored in a centralized form and can maintain historical data. Due to Data Warehouse, The Online transaction processing (OLTP) and Online Analytical Processing (OLAP) can be used for efficient decision making process [3]. The model will overcome all the drawbacks and will provide the complete solution over the present system

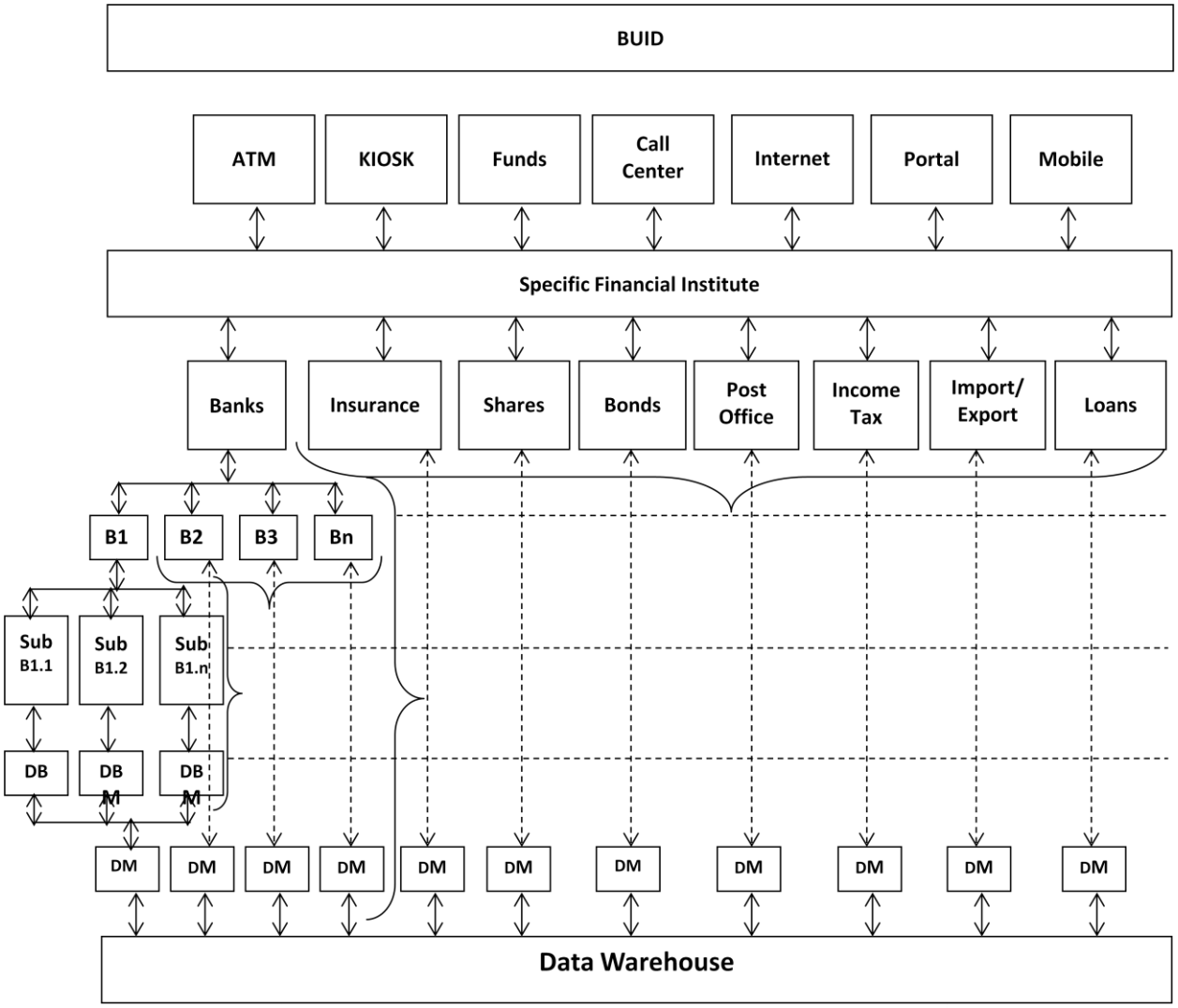

Figure 1: Financial Transaction Model

In financial transaction model, BUID will directly interact with channel like ATM, Kiosk, Funds, Call center, portal, internet, mobile etc to perform financial transaction. Transaction performed by customer's BUID will transfer to specific financial institute like Banks, Insurance, Shares, Bonds, Post Office, Income tax, Import/Export, Loan etc where it will be happened as per intuitive perception of customer. Further the structure of financial institute like Banks, Insurance, Shares, Bonds, Post Office, Income tax, Import/Export, Loan etc in financial transaction model will have branches. As shown in figure 1 Financial transaction model, Bank has branches like B1, B2, B3….B_n. The branch B1 have sub branches like Sub B1.1, Sub B1.2, Sub B1.3……Sub B1.n. The structure will be same for B2, B3 and Bn. The branch B2 will have sub branches like Sub B2.1, Sub B2.2, Sub B2.3……Sub B2.n, branch B3 will have Sub B3.1, Sub B3.2, Sub B3.3……Sub B3.n and branch Bn will have Sub Bn.1, Sub Bn.2, Sub Bn.3……Sub Bn.n. The remaining financial institute like Insurance, Shares, Bonds, Post Office, Import/Export, Loan etc in financial transaction model will also be followed the same above said structure of branches to maintain the transparency and financial transaction of particular financial institute. Data will be stored in database to data mart.

All facilities have made available to customers using the concept of Data Warehouse where it is a repository of subjectively selected and adapted operational data, which can successfully answer any ad-hoc, complex, statistical or analytical queries [3]. It is situated at the centre of a decision support system of an organization and contains integrated historical data, both summarized and detailed information. Here, we have included the bank unique identification code of customer to enhance the current Core financial System using financial transaction model and the core system has radically changed the way in which financial system functions.

The Paper has tried to focus to remove the drawbacks by introducing the financial transaction model to maintain the Bank unique identification code (BUID code). The main advantage of this model is that the financial transaction model with BUID can easily blend with current finance system. Thus the financial transaction model can become a robust to perform a role to enhance the present account opening process in financial system. Banks will make available all transactions across multiple channels like ATMs, Internet Banking, Insurances, and etc. using customer BUID. Using BUID card of proposed system, the customers can manages his financial needs and transactions. This BUID will help to observe and store all the transactions done by him from any account.

4. ADVANTAGES OF FINANCIAL TRANSACTION MODEL AND BUID

Following are the advantages of BUID and Financial transaction model –

1. The concept of financial transaction model and BUID will help to maintain and monitor the overall transactions of a customer accounts (individual/group/society).

2. The financial transaction model will maintain transparency of customer's accounts with other financial institute.

3. The government can monitor and can easily make decisions regarding financial crises.

4. The Income Tax department need not worry to maintain and control individual customer's different account details and transactions of customer accounts for Income Tax purpose.

5. The BUID card will be better alternative than the PAN card, since the BUID card maintains biometric detail and his income details.

6. Under this model, all financial sectors, including Government, Private and Public will work under one roof.

7. The financial transaction model can easily detect the defaulter and can make available all transaction to take suitable action.

8. As we maintaining Data Warehouse, The Online transaction processing (OLTP) and Online Analytical Processing (OLAP) can be used for efficient decision making process.

9. Financial transaction model and BUID code can easily blend with present system, so that the present system can be easily changed into new one.

10. This paper offers the concept of BUID to unhide customer details and transaction for income tax department, government under one roof of overall financial system through financial transactions.

11. Financial transaction model of finance system will monitor and manage the customer's transactions in assorted banks or other finance institute under one roof.

As such, there are many advantages after implementing the financial transaction model. Here we have explored only financial transaction model for happening transaction under one roof of overall financial system. In our detailed study there are many aspects regarding security, transactions, implementation and software, which will highlight many benefits about the complete system.

5. CONCLUSION

The paper is focused on financial transaction model and benefits of BUID code. The financial transaction model shows how transparency can be maintained while performing transaction in financial system. BUID has proposed financial system by offering powerful way to work under a roof using financial transaction model. This model will help in decision making process by using OLAP and OLTP tools. The main advantage of financial transaction model with BUID can easily blend with current finance system. The financial transaction model has become a robust to perform a role to enhance the present way of transaction in core financial system by using BUID. The BUID will be tightly integrated with the banking, CRM and transaction processing of overall financial system.

6. REFERENCES

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