

Types of Business Services

- Banking
- Insurance
- Communication
- Warehousing
- Transportation

Banking means accepting deposits of money from the public(for the purpose of lending and investment), repayable on demand and withdrawable by cheque or otherwise.

Types of Banks:-

- Commercial Banks
- Co-operative Banks
- Specialised Banks
- Central Banks

(1) Commercial Banks: A commercial bank is an institution which accepts deposits of money from the public for the purpose of lending investment. Commercial banks are governed by Indian Banking Regulation Act, 1949. Following are the types of commercial banks on the basis of ownership:

- Public Sector banks- They are owned, managed and controlled by the government. Their main emphasis is on social objectives rather than on profitability. E.g. the State Bank of India (SBI), Punjab National Bank (PNB), Canara Bank etc.
- Private Sector banks- They are owned, managed and controlled by private promoters, e.g. HDFC Bank, ICICI Bank, etc. They emphasise more on profitability.
- Foreign banks- They are owned and managed by foreign promoters e.g. CITI Bank, Standard Chartered Bank etc.

- (2) Co-operative Banks: They provide cheap credit to their members. It is an important source of rural credit, like agricultural financing in India, Delhi Nagrik Sahakari Bank Ltd.
- (3) Specialised Banks: These are foreign exchange banks, industrial banks, developed banks, export-import banks, etc. These provide financial aid to industries and foreign trade. e.g. IDBI, SIDBI etc.
- (4) Central Bank: The Central Bank of a country is the apex institution and the monetary authority. The Reserve Bank of India (RBI) is the Central Bank of our country. It issues currency and controls money supply and credit in the country. It supervises, controls and regulates the activities of all the commercial banks. It also acts as a banker to the government.

Q1. Which institute is called a borrower as well as a lender?

Q2. Enumerate the two primary functions of commercial banks.

Q3. Name the Central Bank of our country and which is the largest commercial bank of our country?

Assignment:- Q 1. Which institute is called a borrower as well as a lender?