BUSINESS SERVICES

1. BANKING

Banking is the practice of receiving public deposits (to be used for lending or investing) that are repayable on demand or otherwise and withdrawable via check, draft, order, or other means.

(i) Types of bank accounts

a) **Money Account:** This account is for those who want to preserve a portion of their income for the future and receive interest on their money.

b) **Current Account:** This account is created by businesspeople who do a number of frequent transactions with the bank, including deposits and withdrawals.

c) **Fixed Deposit Account:** This is an account in which funds are placed with the bank for a certain length of time.

d) **Recurring Deposit Account:** It is used by individuals who wish to save regularly for a certain length of time while earning a greater interest rate.

e) **Multiple Option Deposit Account:** It connects a savings account with a fixed deposit account, and any money beyond a certain limit is immediately converted to a fixed deposit (FD).

(ii) Banking Services

a) **Bank Draft:** A bank's instruction to pay a specific sum to a named individual at any of its branches.

b) **Banker's check (Pay Order):** A banker's check is a bank draft that is payable inside the town.

c) **Real Time Gross Settlement (RTGS):** The RTGS system is an online fund transfer system that allows money to be transferred from one bank to another in real time and on a gross basis.

d) **National Electronic Funds Transfer (NEFT):** The NEFT system is an online fund transfer system that allows money to be transferred from one bank to another on a net basis.

e) **Bank Overdraft:** It is a feature that allows a customer to overdraw his current account up to a certain limit.

f) **Cash Credits:** A cash credit is a loan made to a borrower against his existing assets, such as shares, stocks, and bonds.

(iii) Electronic Banking or E-Banking

Electronic banking, sometimes known as e-banking, is a service provided by many banks that allows customers to make banking transactions via the internet.

2. INSURANCE

Insurance is a contract between an insurer and an insured in which the insurer undertakes to compensate the insured for losses incurred in exchange for a premium.

(i) Functions of Insurance: Insurance performs several tasks, including:

1. Providing certainty.
2. Protection.
3. Risk Sharing.
4. Assist Capital Formation

(ii) Principles of Insurance

Insurance contracts are founded on the following principles:

a) **Utmost Good Faith**: The insurer and the insured must act in good faith toward each other under the terms of the contract.

b) **Insurable Interest**: The insured must have an insurable interest in the subject matter of the policy.

c) **Indemnity**: The insured is entitled to collect the full extent of his loss, up to the policy maximum.

d) **Proximate Cause:** The insurer is liable for a loss only if it is proximately caused by the hazards specified in the policy.

e) **Subrogation**: After paying the insured for their loss, the insurer retains all rights against the third party with respect to the subject matter insured.

f) **Contribution:** The insurer who paid the claim amount under an insurance policy is entitled to recover the proportional contribution from the other insurer.

g) **Mitigation:** The insured must take reasonable efforts to reduce the loss or damage to the insured property.

(iii) Types of insurance

a) **Life Insurance:**

Under this contract, the insurer undertakes to pay a specific sum upon the death of the insured or the expiration of a certain fixed time, whichever occurs first.

Types of Life Insurance Policies

1. Whole-Life Policy
2. Endowment Life Assurance Policy.
3. Joint Life Policy.
4. Annuity Policy.
5. Children's Endowment Policy.

b) **Health Insurance**

Under this contract, the insurer commits to provide specific health insurance at an agreed-upon price. It offers risk protection against unanticipated medical expenses.

c) **Fire insurance**

Fire insurance is a contract in which the insurer agrees, in exchange for the premium paid, to reimburse the insured for any damage caused by the incidence of fire

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d) **Marine Insurance**

Marine insurance is a contract of insurance in which the insurer agrees to compensate the insured in the way and to the extent agreed upon against maritime losses.

Types of Marine Insurance Policies

1. Ship and Hull Insurance

2. Cargo Insurance.
3. Freight Insurance

3. POSTAL SERVICES

Postal services provide many options for sending and receiving letters, parcels, money orders, samples, and so on. Postal services include:

(i) Financial Services: The postal department offers a variety of savings plans, monthly income plans, money orders, and other services.

(ii) Under Postal Certificate (UPC): The post office issues a certificate upon payment of a regulated price, providing verification that letters were posted.

(iii) Registered Post: This is a postal service in which mail is registered by the post office at the time of shipment to ensure safe arrival.

(iv) Parcel: A postal administration service that allows you to transport items from one location to another by mail.

(v) Speed Post: It is a postal service that allows for the timely and speedy delivery of letters, documents, and goods across the country and beyond the world.

(vi) Courier: A mail service offered by private operators in which letters and parcels are collected from the sender's doorstep and delivered to the addressee's location.

4. TELECOM SERVICES

Telecom services involve the use of technological equipment to communicate information. It provides a quicker, cheaper, and more dependable mode of communication.

(i) Types of Telecommunication Services

1. Cellular Mobile Services
2. Fixed-Line Services.
3. Cable services
4. Very Small Aperture Terminal (VSAT) Services
5. DTH (Direct to Home) Services.