

## Prajnan

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#### **Technical Efficiency of Microfinance Institutions in India : A Stochastic Frontier Approach**

- *Tariq Masood / Mohd. Izhar Ahmad*

The study attempts to measure the efficiency level and its determinants of a sample of microfinance institutions operating in India by applying stochastic frontier approach for unbalanced panel of 40 microfinance institutions for the period 2005-08. It has been found that mean efficiency level of microfinance institutions is quite low but it increases over the period of study. Age of microfinance institutions is a positive determinant of efficiency level but size does not matter much. Higher outreach is associated with higher efficiency. Microfinance institutions operating in southern states are more efficient than their counterparts. It has been found that regulated microfinance institutions are less efficient.

#### **Credit Risk Management Practices : Indian Banking Experience**

- *Anju Arora*

The purpose of the present study is to report the state of credit risk management practices in the commercial banks in India. It reports the benchmark CRM practices, as influenced by regulatory framework, best industry practices as indicated in literature and evaluates current CRM practices to identify the reasons for gaps, if any. The study also makes an attempt to identify credit risk management approaches followed by Indian banking system and how these approaches are reflected in their credit risk management practices. The study further makes an attempt to relate some of the characteristics of banks (size, ownership, geographical spread) with different credit risk management practices. The study concludes with a list of elements/techniques/tools that are currently not deployed, or are inappropriately employed in the current CRM framework of the commercial banks in India.

#### **The Cost of Equity for Indian Banks : A CAPM Approach**

- *M Thiripal Raju / Rajesh Acharya H*

This paper examines the cost of equity for major banks in India in the wake of financial crisis. Both public and private sector banks were covered over the period 2004-2009. Cost of equity is estimated based on single-factor Capital Asset Pricing Model (CAPM). The cost of equity has increased for almost all banks in the study period and most of the banks recorded highest cost of equity in 2008 and a marginal decline in 2009. In case of portfolio cost of equity, public sector and new private sector banks have shown an increasing trend in cost of equity from 2004 to 2008 and declined in 2009. But portfolio

of old private sector banks has shown an increasing trend throughout the study period. The rise in cost of equity is mainly associated with rise in the risk free rate and partly due to increase in the sensitivity of bank stock returns to market risk.

### Brief Articles, Notes and Comments

#### Customers' Awareness and Satisfaction about e-Banking : A Study with Reference to ICICI Bank, Gobichettipalayam Town

- *Selvam V / Chi. Nanjappa*

Now-a-days, the commercial banks are providing various innovative services to their customers in order to attract them and retain the market share. This study examined customers' awareness and satisfaction about e-banking at ICICI Bank, Gobichettipalayam Town. The main objective of this study is customer awareness and satisfaction about e-banking. The data collected from the primary source were analysed with the help of various statistical measures such as Chi-square, F-test, and Z-test.

### Book Reviews

#### Sales and Distribution Management: An Indian Perspective

- *Pingali Venugopal*  
New Delhi, Response Books, 2008, 331 pp, Rs. 495.00  
Reviewed by *Dr Dhananjay Bapat*, Assistant Professor, National Institute of Bank Management, Pune.

#### The Acrobatics of Change: Concepts, Techniques, Strategies and Execution

- *Moid Siddiqui / R H Khwaja*  
Response Books, Business Books from SAGE, 2008, xii+292 pp  
Reviewed by *Prof R K Mishra*, Director and Senior Professor, *Ms Punam Singh*, Assistant Professor, and *Dr Jayashree Raveendran*, Assistant Professor, Institute of Public Enterprise, Hyderabad.

### Telegraphic Reviews