

ABSTRACT

Financial innovations have provided banks with tools to obtain competitive advantages and become more efficient. The technological advancement in the sphere of Internet Banking has been crucial for Indian Banks since the start of the 21st century. The aim of this research paper is to analyze the way in which Internet Banking has contributed to the efficiency of Indian Banking sector. We apply DEA to compute the efficiency scores of Banks for the year 2000-01 and 2014-15 to bring out the differences in efficiency scores of the banks and found that internet banking does help in making banks more efficient.

Keywords: DEA, Shannon's Entropy, Technical Efficiency, Scale Efficiency