



PROGRAM	Master of Business Administration
SEMESTER	3
COURSE TITLE	Principles and Practices of Banking
COURSE CODE	04MB0334
COURSE CREDITS	3
COURSE DURATION	42 Hrs. (42 sessions of 60 minutes each)

COURSE OUTCOMES:

- * Understand the Types, Classifications of Banking and its Scope in Industry
- * Appraise the understanding of Lending Policy and types of charging Securities
- * Develop the understanding of Money Laundering Concept and Measure of prevention of Money Laundering
- * Evaluate problems of non-performing businesses and suggest measures of recovery of loans.
- * Analyze the mechanism of digital financial services and their importance in business.

COURSE CONTENTS:

Unit No	Unit / Sub Unit	Sessions
I	Introduction to Bank – Meaning and Definition of Bank, Origin and Evolution of Bank , Structure of Indian banking System - Classification of Banks, Functions of Commercial banks - Primary and Secondary Functions - Conventional and Innovative Functions, types of products and services offered by banks, types of Deposits and features, benefits, variants of Savings, Current, Fixed and recurring deposits, Types of Loans- Retail lending, secured and unsecured , rights, duties and responsibilities of bankers and banker- customer relationship,	8
II	Loans and Advances – Study of the Borrower- Types of Borrowers: Individual, Firms, Companies, Types of Advances – Loan, Cash Credit, Overdraft, Term Loans, Bills Purchasing and Discounting – Secured and Unsecured Advances – Types of charging Securities – Pledge, Hypothecation, Mortgage, Lien, Set-Off and Assignment. Documentation - Types of Documents, Procedure, Stamping, Securitisation	8
III	Central Banking, Monetary Policy and Reforms in Indian Banking - Evolution of RBI - Organisation and Management, Functions of RBI, RBI Act, Regulatory Measures - Repo rate, Bank Rate, SLR, CRR, OMO, LAF, MSF, MISS, MSF,. Banking Sector reforms - Narasimham Committee - I and II, Money Laundering Concept, Stages, Objectives of Money Laundering, CFT and PMLA, Know Your Customer Norms - key elements, KYC Verification for individuals, companies, partnership firms, trusts, and foundations. Consumer Protection - Operational Aspects of COPRA Act & Banking Ombudsman Scheme	8
IV	NPA Management - Definition; Income Recognition; Asset Classification as – Slandered, Non Performing and Doubtful assets, Causes and Remedial Measures, Provisioning Norms, CDR, DRTs and DRATs, Lok-Adalat, SARFAISI Act, NPA related norms and Provisions of Insolvency and Bankruptcy Code in India.	8
V	Role of ICT in Payment System of Banking - ATMs, HWAK, PIN, Electromagnetic Cards, Electronic Banking, Signature Storage & Retrieval System, CTS, Note & Coin Counting Machines, NPC, RUPAY.	10

Components & Modes of Transmission, Major Networks in India, Emerging Trends in Communication Networks for Banking, Evolution of EFT System, SWIFT, Automated Clearing Systems, Funds Transfer Systems, UPI and E-Wallets. Overview of IT Act - Gopalakrishna Committee Recommendations	
--	--

EVALUATION:

The students will be evaluated on a continuous basis and broadly follow the scheme given below:

		Weightage
A	Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.)	20% (C.E.C.)
B	Internal Assessment	30% (I.A.)
C	End-Semester Examination	50% (External Assessment)

SUGGESTED READINGS:
Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
T-01	K. Natarajan and E. Gordon	Banking Theory, Law and Practice	Himalaya Publishing House	25th Edition, 2017
T-02	Clifford Gomez	Banking and Finance- Theory, Law and Practice	PHI Learning Private Limited	1st Edition, 2011

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
R-01	The Institute of Company Secretaries Of India	Banking Law and Practice	The Institute of Company Secretaries Of India	2014
R-02	MacMillan Publishers	Principles and Practices of Banking	MacMillan Publishers	5 th edition, 2021
R-03	Viral V Acharya	Quest for Restoring Financial Stability in India	Sage Publication	1 st edition, 2020