

PROGRAM	Bachelors Of Commerce / Bachelors Of Commerce(Hons)
SEMESTER	V
COURSE TITLE	Principles and Practices of Banking- I
COURSE CODE	04BC0571
COURSE CREDITS	04
COURSE DURATION	48 Hrs (48 sessions of 60 minutes each)

COURSE OUTCOMES:

- To understand the banking industry in India
- To evaluate the various propositions made by RBI towards smooth execution of banking duties
- To know the banking organization and its chain of command
- To identify the appropriate process under banking operations and to know about various modern technology used for smooth execution of various services provided by banks
- To evaluate the process of cheques payment and collection system.

Teaching and Examination Scheme

Teaching Scheme (Hours)			Credits	Internal Marks (50%)		End-Semester Examination (50%)			Total Marks
Theory	Tutorial	Practical		IA	CSE	Theory	Practical/Viva	Term Work (TW)	
4	0	0	4	30	20	50	0	0	100

Course Contents:

Unit No	Unit / Sub Unit	Sessions
I	Introduction to Indian Banking System Bank: Meaning, Definition and Characteristics, - Evolution of Indian Banking System - Nationalization of Banks -Structure of Banks in India - Types of Banks - Function of Banking -Various Deposit Scheme - Recent Reforms In Indian Banking - Non-Banking Financial Companies (NBFC)	10
II	Regulatory Framework and Regulation of Banks - Reserve Bank of India (RBI): Reserve Bank of India Act, 1934 (An Overview), - Constitution, Objectives, Functions of RBI -Tools of Monetary Control - Regulatory Restrictions on Lending, - Banking Regulation Act, 1949 (An overview) – Selective Credit Control (Under Section 21 And Section 35a Of Banking Regulation Act) -Power of RBI : Acceptance of Deposits; Nomination; Loans and Advances; Regulation of Interest Rate; Regulation of Payment Systems; Internet Banking Guidelines; Regulation of Money Market Instruments;	10

	Reserve Funds; Maintenance of CRR, SLR; - Role of Government and other authorities as a Regulator of Banks - Control over Co-operative Banks	
III	Organization of Banks: Licensing of Banking Companies; Branch Licensing; Paid up Capital and Reserves; Shareholding in Banking Companies; Subsidiaries of Banking Companies; Board of Directors; Chairman of Banking Company; Appointment of Additional Directors; Restrictions on Employment; Control over Management; Directors and Corporate Governance.	8
IV	Banking operations & IT in Banking: Preparation of Vouchers, cash receipt and payment entries, clearing inward and outward entries, transfer debit and credit entries – KYC : what are the different documents to satisfy KYC, verify KYC and authenticity of documents, - operational aspects in regard to opening of all types of accounts - scrutiny of loan applications / documents, - operational aspects of Core Banking Solutions (CBS) environment - Back office operations in banks, handling of unreconciled entries in banks. -Overview of Banking services and IT related risk and controls	10
V	Payment and Collection of Cheques: Role & Duties of Paying & Collecting Banks; Endorsements; Forged Instruments; Bouncing of Cheques; Its Implications; Return of Cheques; Cheque Truncation System - Responsibility of Paying Bank: Negotiable Instruments Act and Paying Banks; Liability of Paying Banker; Payment in Good Faith; Whether Payment under Mistake Recoverable - Responsibility of Collecting Bank: Statutory protection to Collecting Bank; Duties of Collecting Bank.	10

SUGGESTED READINGS:

Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year of Publication
T-01	M.L.Tannan	Banking Law and Practice	LexisNexis	27 th edition, 2017
T-02	Clifford Gomez	Banking and Finance-Theory, Law and Practice	PHI Learning Private Limited	2011

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year of Publication
R-01	MacMillan Publishers	Principles and Practices of Banking	MacMillan Publishers	5 th edition, 2021
R-02	MacMillan Publishers	Retail Banking	MacMillan Publishers	2018-2019
R-03	Viral V Acharya	Quest for Restoring Financial Stability in India	Sage Publication	1 st edition, 2020
R-04	M.N.Gopinath	Banking Principles and Operations	Snow White	7 th edition, 2017
R-05	The Institute of Company Secretaries Of India	Banking Law and Practice	The Institute of Company Secretaries Of India	2014