

COURSE TITLE	FUNDAMENTALS OF BANKING
COURSE CODE	04BC0125
COURSE CREDITS	4

Objective:

- 1 NA

Course Outcomes: After completion of this course, student will be able to:

- 1 Understand the banking industry in India
- 2 Evaluate the structure and functions of various types of commercial banks and the Reserve Bank of India, compare different banking institutions, and analyze the tools of monetary control employed by the RBI.
- 3 Identify the appropriate process under banking operations and to know about various modern technology used for smooth execution of various services provided by banks. And utilizing electronic banking and digital payments within regulatory frameworks.
- 4 Evaluate the appropriateness of various credit facilities for different lending scenarios. Apply the MAST (Marketability, Ascertainability, Stability, and Transferability) principle to determine the attributes of good security.
- 5 Analyze and apply the roles and duties of paying and collecting banks under the Negotiable Instruments Act, evaluate the implications of cheque-related issues, and implement risk management strategies in compliance with Basel Accords and RBI guidelines.

Pre-requisite of course:NONE

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
4	0	0	50	30	20	0	0

Contents : Unit	Topics	Contact Hours
1	Introduction to Indian Banking : Introduction to Banking Business: Evolution of banking in India - Nationalization of Banks -Types of banks – Customer & banker relationships -Types of customer accounts, Time and Term deposit accounts including Non-Resident Individual accounts, Various Deposit Scheme -Functions of Banks – Traditional and Modern., Recent Reforms in Indian Banking:Narasimham Committee -I, Narasimham Committee- II - Non-Banking Financial Companies (NBFC)	10

Contents : Unit	Topics	Contact Hours
2	Structure of Commercial Banks and Apex Banking Institution: Structure and Composition of Commercial Banks, Types of Banks – Public, Private, Cooperative, Regional Rural Banks (RRBs), Foreign, National Housing Bank, Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM), Comparison between public and private banks, comparison between Cooperative and Regional Rural Banks., Reserve Bank of India (RBI): - Constitution, Objectives, Functions of RBI -Tools of Monetary Control	12
3	Loans and Advances: Principles of sound lending - Different Types of Borrowers - Types of Credit Facilities, Cash Credit, Overdraft, Demand Loans, Term Loans, Bill Finance - Securities for Banker's Loan , Attributes of Good Security (MAST Principle)- Bank Guarantees- Types of Bank Guarantees -Priority Sector Lending , Introduction to the Balance Sheet of a Commercial Bank, , Concept of Non-Performing Assets (NPAs), Income Recognition -Asset Classification -Provisioning Norms -Reasons for Non-Performing Assets and Measures to check Non-Performing Assets , Corporate Debt Restructuring (CDR): Revised Framework - Timelines for Large Accounts to be Referred under IBC- - BIFR (Board for Industrial and Financial Reconstruction) -Asset Reconstruction Companies (ARCs) -Debt Recovery Tribunals (DRTs), Enforcement of security under SARFAESI Anti-Money Laundering (AML), CIBIL.	10
4	Banking operations , IT in Banking and Complaint Resolution : 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 – KYC : what are the different documents to satisfy KYC, - operational aspects in regard to opening of all types of accounts - scrutiny of loan applications / documents,, Meaning of Electronic banking, Automated Teller Machine (ATM), Internet Banking, Telebanking, Mobile Banking, Electronic Clearing System, National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment System (IMPS), Electronic Cheques and E-Wallet, Digital Payment – concept, advantages and disadvantages; Measures to ensure secured digital payment., Banking Ombudsman Scheme: The Banking Ombudsman Scheme 2006, Internal Ombudsman Scheme, 2018 for Scheduled Commercial Banks Ombudsman Scheme for Digital Transactions, 2019- Judicial Pronouncement	12

Contents : Unit	Topics	Contact Hours
5	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, Responsibility of Collecting Bank: Statutory protection to Collecting Bank; Duties of Collecting Bank.	16
Total Hours		60

Textbook :

- 1 Banking Law and Practice, M.L.Tannan, LexisNexis, 2017
- 2 Banking and Finance- Theory, Law and Practice, Clifford Gomez, PHI Learning Private Limited, 2011

References:

- 1 Principles and Practices of Banking, Principles and Practices of Banking, MacMillan Publishers, MacMillan Publishers, 2021
- 2 Retail Banking, Retail Banking, MacMillan Publishers, MacMillan Publishers, 2019
- 3 Quest for Restoring Financial Stability in India, Quest for Restoring Financial Stability in India, Viral V Acharya, Sage Publication, 2020
- 4 Banking Principles and Operations, Banking Principles and Operations, M.N.Gopinath, Snow White, 2017
- 5 Banking Law and Practice, Banking Law and Practice, The Institute of Company Secretaries Of India, The Institute of Company Secretaries Of India, 2014

Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery and evaluation					
Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking / Creative
20.00	30.00	25.00	15.00	10.00	0.00

Instructional Method:

- 1 NA

Supplementary Resources:

- 1 NA