

Programme : Master of Commerce [M.Com]
 Course Code : COM-627
 Course Title : Banking and Financial Institutions
 Number of Credits : 04
 Effective from AY : 2022 – 2023

Pre-requisites for the Course:

NIL

Objectives of the Course:

1. To provide students with an overview of commercial banking in India;
2. To familiarize students with the regulatory framework of banks in India, Modern Banking services, and the ALM system of Banks.
3. To provide knowledge of Financial Intermediaries and other Non-Banking Financial Institutions.

Course Content

Unit 1	Overview of the Banking Sector	15 Hours
Definition and meaning of banking, and importance of banks, Functions of Bank - Fundamental role and evolution of banking, the structure of Indian Banking system.; Licensing of banks in India, Branch licensing, Foreign Banks, Private Banks – Capital and voting rights, Corporate Governance, Challenges faced by Indian Commercial Banking system, Role & Functions of RBI.		
Unit 2	Banking and the Economy	15 Hours
Banking and the Economy; Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Repo and Reverse Repo, Open Market Operations, Security Valuation, Bank – Customer Relationship, Security Creation; Pledge, Hypothecation, Mortgage and Assignment, Capital Account Convertibility, Other Banking Services: Fee-based - Fund Based Services, Money Remittance Services, and Banking Channels, E-Banking services, Central Banking and Monetary Policy.		
Unit 3	Asset Liability Management of Banks	15 Hours
Asset and Liability Management; - Investment Portfolio of Banks: - Investment Management - Components of Bank's Investment Policy – Liability Management: ALM Information Systems; ALM Organization; Liquidity Risk Management; Non-Performing Assets, NPA categories, NPA Provisioning Norms, SARFAESI Act. CAMELS Framework, Bank for International Settlements (BIS), Basel Framework, Regulatory Framework: Anti-Money Laundering and Know Your Customer, Banking Ombudsman Scheme, 2006.		
Unit 4	Financial Institutions	15 Hours
Financial Intermediaries, Economic Role of Financial Intermediaries, Non-Banking Financial Institutions: India Infrastructure Finance Company Ltd(IIFCL), Small Industries Development Bank of India, Export-Import Bank of India (EXIM), National Housing Bank (NHB), NABARD, Credit Unions, Insurance Companies, Development and Growth in Banking and Financial Institutions, Financial/ Banking Crisis in India and its impact on Economy.		

Pedagogy:

Lectures/ Class room Discussions/Assignments/Seminar/ Presentations.

Reference / Readings:

1. Burton M. and Lombra R.: *The Financial System and the Economy: Principles of Money and Banking*; South-Western. 4th Edition, 2005

2. Deva, V.: *E-Banking*; Commonwealth Publishers, New Delhi, 2007.
3. Hubbard, R. G. and O'Brien, A.P.: *Money, Banking and the Financial System*; Pearson Education. 2nd Edition, 2019
4. Khan, M. Y. : *Indian Financial System*; McGraw Hill. 11th Edition, 2019
5. Padmalatha, S. and Paul, J.: *Management of Banking & Financial Services*; Pearson Education, New Delhi. 4th Edition, 2017
6. Rao, P.: *Management of Banking and Financial Institutions*; Deep & Deep Publications, 2002.
7. Smith, G.: *Money and Banking: Financial Markets and Institutions*; Longman Higher Education, 1982.
8. Varshney, P. N.: *Banking Law & Practice*; Sultan Chand & Sons, New Delhi, 2017.
9. NSE, NCFM Banking Sector Intermediate Module

Online Resources:

1. <https://www.bankbazaar.com/finance-tools/emi-calculator/repo-rate-vs-bank-rate.html>
2. <https://profitmart.in/blog/what-is-slr-crr/>
3. <https://www.slideshare.net/rajuindukoori/rbis-monetary-policy-168619160>
4. <https://topbankcoachingchandigarh.wordpress.com/2017/01/03/primary-security-vs-collateral-security/>

Course Outcomes:

After completion of these courses, Students will be able to:

CO1: Understand the role of Banking in the Economy.

CO2: Understand the Risk management of the Banking Sector and gain in-depth knowledge of banking services.

CO3: Understand the Economic Role of Financial Intermediaries.

CO4: Gain knowledge of other Non-Financial Institutions.