

## Masters of Business Administration (MBA) – Semester - 3

### Course Teaching Plan

**Course Title: Banking**

**Course Code: 340039303**

**Course Credit: 4 (40 hours)**

#### 1. Course Introduction:

As per estimates by the National Skill Development Corporation (NSDC), the Banking, financial services and insurance (BFSI) sector in India will need an additional 1.6 million skilled workforce by 2022. This estimation gives clear signal regarding the need of qualified and skilled manpower in the BFSI segment. Banking industry will require professionally qualified manpower endowed with macro and micro banking knowledge and skills together with technology-familiarity, customer-orientation and hands-on application adaptability who can be assigned to various desks / jobs with minimal training intervention. Hence the understanding and knowhow of this sector will enhance one's competency in this cut throat competition. The course can work as stepping stone for the MBA students who want to make career in most promising and challenging industry.

The course will help in building a strong foundation as each segment of the program is prepared on the basis of Industries' fundamentals. The syllabus not only focuses on theoretical points but also emphasize on technical and practical aspects of banking sector which are generally missed in traditional courses.

#### 2. Course Objective:

The objective of the course to provide basic understanding related to banking. This course will be helpful to all those who want to gain insights and deeper understanding of Banking. This will also help in making a career in Banking.

#### 3. Course Learning Outcome:

CLO1: Understand the Indian banking system and various financial regulations applicable to commercial banks in India

CLO2: Understand the legal aspects of banking and applicability of various acts

CLO3: Compare the various products offered by banks in India

CLO4: Understand & evaluate the concepts of credit and NPA management

CLO5: Understand the concepts of international banking

#### 4. CLO –PO Mapping Matrix

	PO1	PO2	PO3	PO4	PO5
CLO1	3	3	3	1	3
CLO2	3	3	2	1	3
CLO3	3	3	3	2	3

CLO4	3	3	1	1	1
CLO5	3	3	2	1	3

Correlation levels: 3= 'High', 2='Medium', 1='Low' and '-' = No correlation

## 5. Course Contents and Session Plan:

Session No.	Syllabus Content
1-3	<p><b>Indian Financial System – An Overview</b></p> <p>Role of RBI, Commercial Banks, NBFCs, PDs, FIs, Cooperative Banks, CRR, SLR; Equity &amp; Debt Market; IRDA Payment Banks, Small Finance Banks, Local Area Banks and Fin-tech Banking Regulation Constitution, Objectives, Functions of RBI; Tools of Monetary Control; Regulatory Restrictions on Lending Banker Customer Relationship Types; Different Deposit Products &amp; Services; Services to Customers &amp; Investors</p>
4-6	<p><b>Opening accounts of various types of customers &amp; various deposit accounts</b></p> <p>Operational Aspects of opening and Maintaining Accounts of Different Types of Customers, SB Rate Deregulation</p>
7-8	<p><b>KYC/ AML norms</b> PMLA Act; KYC Norms</p> <p><b>Bankers' Special Relationship</b> Mandate; POA; Garnishee Orders; Banker's Lien; Right of Set off</p>
9-11	<p><b>Consumer Protection - COPRA, Banking Ombudsman Scheme</b> Operational Aspects of COPRA Act &amp; Banking Ombudsman Scheme</p> <p><b>Payment and Collection of Cheques and Other Negotiable Instruments</b> NI Act; Role &amp; Duties of Paying &amp; Collecting Banks; Payment in due course; Payment in Good Faith; Whether Payment under Mistake Recoverable; Endorsements; Forged Instruments; Bouncing of Cheques; Its Implications; Return of Cheques; Cheque Truncation System</p>

12-13	<p><b>Types of Credit Facilities</b> Cardinal Principles; Exposure limits; Non-fund Based Limits; WC; Term Loans</p> <p><b>Priority Sector Advances</b> Targets; Sub-Targets; Recent Developments</p>
14-15	<p><b>Agricultural Finance</b> Types of Agricultural Loans <b>Self Help Groups (SHGs)</b> Need for &amp; Functions of SHGs; Role of NGOs in Indirect Finance to SHGs; SHGs &amp; SGSY Scheme; Capacity Building</p>
16-17	<p><b>Credit Cards, Home Loans, Personal Loans, Consumer Loans</b> Operational Aspects, Advantages, Disadvantages &amp; Guidelines of Credit Cards; Procedure and Practices for Home Loans, Personal Loans and Consumer Loans</p>
18-20	<p><b>Documentation</b> Types of Documents; Procedure; Stamping. Definition of Charge; Procedure for Registration of Charge; Effect of Non-registration of Charges; Provisions of Law relating to Registration of Charges</p> <p><b>Different Modes of Charging Securities</b> Mortgage; Types of Mortgage; Enforcement of Mortgages, Lien; Pledge; Hypothecation; Assignment etc.</p>
21-22	<p><b>Types of collaterals and their characteristics</b> Land &amp; Buildings; Goods; Documents of Title to Goods; Advances against Insurance Policies, Shares, Book Debts, Term Deposits, Gold, etc.; Supply Bills</p>
23-25	<p><b>Wholesale Banking</b> Credit Monitoring &amp; Its Management; PLR, Base Rate, MCLR, Repo Linked Rate</p>

	<p>Credit Appraisal Techniques; Sources of WC Funds &amp; its Estimation; Operating Cycle; Projected Net WC; Turnover Method; Cash Budget; Relationship between items in Balance Sheet and Profit and Loss Account. Working Capital Concept and Management Appraisal techniques for different constituents</p>
26-27	<p><b>Wholesale Banking</b>  Term Lending – Debt Service Coverage Ratio  - Cash Flow Analysis - Cash Budget - Bill Finance  Trend Analysis, Comparative Statement - Common Size Statement, Preparation of projected Financial Statements. - Ratio analysis – Interpretation and analysis of different Ratios, Limitation of the use of ratios.  <b>Credit Appraisal Techniques for Term Loans:</b> Cash Flow Analysis, Discounted Cashflow method, NPV IRR methods - Cash Budget</p>
28-29	<p><b>Micro, Small and Medium Enterprises</b>  MSMED Act, 2006 Policy Package for MSMEs; Latest</p>
30-31	<p><b>Retail Banking &amp; Structuring a Credit Proposal</b>  Types of Loans: Vehicle, Home, Mortgage, Personal, Education, etc.  Systems &amp; procedures and Analysis tools  KYC and Documentation  Documentation - Post sanction supervision, Control and monitoring of credit  Consortium finance,  Multiple banking, Syndication of loans</p>
32-33	<p><b>NPA and its management</b>  Basics concepts of NPA, Income Recognition; Asset Classification; Provisioning Norms;  CDR  Asset Restructuring Companies,  Revival of sick units; revival package and implementation,  Stressed assets under rehabilitation. Debt restructuring mechanism for SMEs.  Introduction to SARFAESI Act  NPAs recovery options, write-off.  Disclosure of the list of defaulters: objectives and procedure.</p>
34-35	<p><b>International Banking and Finance</b>  International Banking arrangements i.e. Correspondent Banking, Foreign Branch etc. Banking  Raising resources: Availability features and risks of various Equity and debt products like ECBs, ADRs, ECCBs and other types of Bonds etc., Syndication of loans</p>
36-37	<p><b>Foreign Exchange Business &amp; Derivative</b> Foreign Exchange  Management Act  (FEMA) and its</p>

	<p>philosophy</p> <p>Different types of Exchange Rates</p> <p>RBI and FEDAI: their role in regulating Foreign Exchange Business of Banks/ other Authorized Dealers.</p> <p>NRI customers and various banking and investment products available to them under FEMA.</p> <p>Remittance facilities</p> <p>Treasury operations of banks and corporate</p>
38	<p><b>International Trade</b></p> <p>WTO - its impact</p> <p>Balance of payment, balance of trade, Current account and capital account convertibility.</p> <p>Documents used in Trade: bill of exchange, invoice, Bill of lading, Airways bill, Insurance policy etc Role of Banks in foreign Trade</p> <p>Letters of credit; importance in international trade, various types of LCs, settlement of disputes, UCP 600,</p> <p>INCOTERMS.</p> <p>Exchange control relating to foreign trade. Returns required to be submitted to RBI</p>
39-40	<p><b>EXIM - Import/Export Finance</b></p> <p>Laws governing trade finance i.e. FEMA, Indian stamp Act, EXIM policy, RBI/ FEDAI guidelines</p> <p>Role of Banks, including EXIM Bank, in financing Foreign Trade, Types of Accounts : Nostro Vostro, EEFC etc various facilities to Exporters and importers including project finance, Forfeiting and Factoring</p> <p>Risks involved in foreign trade finance: Country risk, Currency risk, Exchange risk, legal risk etc., Role of ECGC</p>

## 6. Assessment Scheme :

Specific assessment method	% Weightage	Theory	Practical
Exam	50%	√	
Class Participation	20%	√	√
Presentation	10%	√	√
Assignment	10%	√	√
Project Report	10%	√	√

## 8. Educational Resources

Educational Resources	Description
<b>xl. Text Book</b>	1) IIBF: Principles & Practices of Banking: Macmillan Education, latest edition (2019) 2) Introduction to Banking: Vijayarangavan Iyengar, Excel Books (Latest edition) 3) IIBF: Banker's Handbook on Credit Management: Taxman, latest edition (2018)
<b>xli. Journals/ Magazine/periodicals</b>	Student is expected to read business newspapers and magazines on regular basis to get updated about the happenings in the Banking world Leading suggested Newspapers: Business Standard, Mint, Economic Times etc. Leading suggested Magazines: Business World, Business Today, Business India etc.
<b>xlii. Course related important Web links</b>	17. <a href="https://rbi.org.in/">https://rbi.org.in/</a> 18. Database on Indian Economy available on <a href="https://dbie.rbi.org.in/DBIE/dbie.rbi?site=home">https://dbie.rbi.org.in/DBIE/dbie.rbi?site=home</a> 19. <a href="https://fedai.org.in/">https://fedai.org.in/</a> 20. <a href="https://sidbi.in">https://sidbi.in</a> 21. <a href="https://nabard.org">https://nabard.org</a> 22. <a href="https://iibf.org.in">https://iibf.org.in</a>

