

F.Y.B.Com. 115B Banking & Finance

Unit No.	Unit Title	Contents
1.	Evolution of Banking	<ul style="list-style-type: none"> • Meaning, Definition and Origin of ‘Bank’ • Evolution of Banking in Europe and Asia • Evolution of Banking in India • Structure of Indian Banking System
2.	Functions of Bank	<p>Primary Functions:</p> <ul style="list-style-type: none"> ○ Accepting Deposits: <ul style="list-style-type: none"> i. Demand Deposits - Current Deposit and Savings Deposits; ii. Time Deposits - Fixed Deposit and Recurring Flexi Deposits (Auto Sweep) ○ Granting Loans and Advances- <ul style="list-style-type: none"> i. Short Term Loan- Overdraft Facility, Cash Credit Facility, Purchasing and Discounting of Bills, ii. Term Loan <p>Secondary Functions:</p> <ul style="list-style-type: none"> A. Agency Functions- Payment and Collection of a Cheque, Bill and Promissory Note, Execution of standing instructions, Acting as a Trustee and Executor B. General Utility Functions- Safe Custody, Safe Deposit Vaults, Remittance of funds, Pension payments, Acting as a Dealer in Foreign Exchange (FOREX) Market. C. Distribution of Third Party Products, Bancassurance, Mutual Funds, Issuance of Credit Card and Debit Card D. Non Fund Based Credit Facilities- Letter of Credit, Bank Guarantee and Deferred Payment. E. Government Business – Collecting GST, Stamp Duty, Excise Payment, etc. <ul style="list-style-type: none"> • Concepts of Priority and non- priority sector lending Security Based and Purpose Oriented Lending, Bridge Loans, Reserve Ratios- CRR and SLR. Credit Appraisal and Credit Monitoring

3.	Procedure for Opening and Operating of Deposit Account	<p>Procedure for Opening of Deposit Account: Know Your Customer Norms, (KYC Norms), Application Form, Introduction, Proof of Residence, Specimen Signature, and Nomination Facility: Their Importance. No Frill Account</p> <p>Procedure for Operating Deposit Account: Pay-in-slip, Withdrawal slip, Issue of Pass Book, (Current, Savings or Recurring Deposit), Issue of Cheque Book, Issue of Fixed Deposit Receipt, Premature encashment of a Fixed Deposit and Loan against Fixed Deposit. Recurring Deposit: Premature encashment and loan against Recurring Deposit.</p> <p>a) Closure of Account b) Transfer of Account c) Death Claim Procedure</p> <p>Types of Account Holders</p> <p>a) Individual Account Holders- Individual Account, Joint Account, Illiterate, Minor, Married Woman, Pardahnashin Woman, Non-Resident Account b) Institutional Account Holders- Sole Proprietorship, Partnership Firm, Joint Stock Company, Hindu Undivided Family, Clubs, Associations, Societies and Trusts.</p>
4	Methods of Remittance	<p>Demand Draft, Bankers' Cheque</p> <p>Electronic Funds Transfer (EFT) – Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Procedure of fund transfer through NEFT/ RTGS,</p> <p>Society for Worldwide Interbank Financial Telecommunication (SWIFT)</p> <p>Immediate Payment Service (IMPS) - Interbank (Bank to Bank) and Intra Bank (Branch to Branch) Fund Transfer</p>
5	Lending Principles and Balance Sheet of a Bank	<p>Safety, Liquidity, Profitability, Diversification of risks and other Principles of Lending, Conflict between Liquidity, Profitability and Safety</p> <p>Customer assessment through CIBIL and other similar agencies</p> <p>Balance sheet of a bank.</p>

6	Negotiable Instruments	Definition, meaning and characteristics of Negotiable instruments Definition, meaning and characteristics of Promissory Note, Bill of Exchange and Cheque. Types of Cheques- Bearer, Order and Crossed Types of Crossing- General and Special. Dishonour of Cheque
7	Endorsement	Definition and meaning of Endorsement Types of Endorsement- Blank, Full or Special, Restrictive, Partial, Conditional, Sans Recourse, Facultative. Effects of Endorsement.
8	Technology in Banking	Role and Uses of Technology in Banking Automated Teller Machine (ATM) – onsite and offsite ATM, Cash Deposit machine, Cheque Deposit machine, Passbook Printing Machine, Note and Coin counting device, Fake currency detector, Credit card, Debit card –Personal Identification Number (PIN) – Use and Safety, Mobile Banking – Mobile Banking Applications - BHIM (Bharat Interface for Money) / UPI (Unified Payments Interface), Net Banking , Core Banking Online enquiry and update facility, Home Banking- Corporate and Personal. Precautions in using Technology in Banking Current Trends in Banking Technology

Reference Books:

1. Majumdar N. C., 'Fundamentals of Modern Banking', New Central Book Agency (P) Ltd., New Delhi.
2. Arondekar A.M. & Others, 'Principles of Banking', Macmillan India Pvt. Ltd.
3. Srinivasan D. & Others, 'Principles & Practices of Banking', Macmillan India Pvt. Ltd.
4. Agarwal O.P., (4th Edition, 2017), 'Banking and Insurance', Himalaya Publishing House.
5. Gopinath M. N., (1st Edition, 2008), 'Banking Principles and Operations', Snow White Publications Pvt. Ltd, Mumbai
6. Gordon E. & Natarajan K., 'Banking - Theory, Law and Practice', (21st Revised Edition), Himalaya Publishing House.
7. Joshi Vasant & Joshi Vinay, (3rd Edition), 'Managing Indian Banks', Sage Publication, New Delhi.
8. Varshney P.N. (12th Edition, 2003), 'Banking - Law and Practice', Sultan Chand & Co. New Delhi
9. Kothari V., (26th Edition) 'Tanna's Banking Law & Practice in India,' Lexis Nexis Publication.
10. Kaptan S S & Choubey N S, "E-Indian Banking in Electronic Era", Sarup & Sons, New Delhi 2003.
11. Padmalatha Suresh, Justin Paul, "Management of Banking and Financial Services" Second Edition, 2013, Published By Dorling Kindersley (Pearson)
