

B. COM
Semester V
Banking & Financial Services
Major 1

(Modern Banking Operations and Services)
(100 Marks – 75 Lectures)

Objective:

To acquaint students with key functions of banking institutions, information technology-based products, different financial services and current issues and emerging trends in modern banking operations.

Unit 1: Functions of Banks
(Lectures)

(25 marks – 19

Accepting deposits – demand and time deposits - deposits at call and short notice, saving, current, fixed, recurring, pigmy and hybrid/flexi deposits; d-mat accounts;

Deployment of loans and advances – business credit (working capital finance - cash credit, revolving credit, overdraft, lines of credit, business credit cards, kisan cards, short-term loans, bill purchase & bill discounting, and term finance) and retail credit (credit cards, consumer loans, personal loans, gold loans, home loans)

Remittances

Agency services

General utility services

Unit 2: Information Technology in Banking
(Lectures)

(25 marks - 19

Bank computerization – need & importance; electromagnetic cards – ATM cards, credit cards, add-on cards, charge cards, debit cards, smart cards; payments and settlement systems – conventional systems in brief – cheques (including MICR cheques), demand drafts & pay orders and their clearing, drawbacks/difficulties of these systems; electronic payments & settlement systems – Automated Teller Machine (ATM), Electronic Clearing System (ECS), National Electronic Funds Transfer (NEFT), Real-Time Gross Settlement (RTGS), cheque truncation, electronic cheques; core banking; electronic banking; internet banking; mobile banking; security considerations and cyber crime – types of cyber crime in banking, precautions to be taken by bankers

and customers

**Unit 3: Banks and Financial Services
Lectures)**

(25 marks - 19

**Merchant/investment banking, leasing, factoring, forfaiting, mutual funds, portfolio management, wealth management, bancassurance, loan syndication, consumer finance, retail banking, securitization, stockbroking
(14-15 lectures)**

**Unit 4: Current Issues & Emerging Trends
Lectures)**

(25 marks - 18

Financial inclusion – RBI definition, meaning, recommendations of Rangarajan Committee

Corporate Governance - Meaning and importance; issues, principles and practices of corporate governance in Indian banks

Consolidation in banks - Mergers and Acquisitions – Rationale for M&A in Indian banking; a study of post-reform mergers and acquisitions in the Indian banking sector – their objectives, benefits and problems

Universal Banking – meaning, rationale, merits & demerits

Books for Study and Reference:

Basu P. (ed.) (2005): *India's Financial Sector: Recent Reforms, Future Challenges*

Bhole L. M. & Mahakud J. (2009): *Financial Institutions and Markets: Structure, Growth & Innovations*, New Delhi, Tata-McGraw Hill, 5e

Deva V. (2005): *E-Banking*, New Delhi, Commonwealth

Dewan B. (2011): *E-Commerce*, New Delhi, S. Chand

Indian Institute of Banking and Finance (2008): *Principles & Practices of Banking*, New Delhi, Macmillan, 2e

Joshi V. C. (2004): *E-finance – Log in to the Future*, New Delhi, Response

Khan M. Y. (2004): *Indian Financial System*, New Delhi: Tata-McGraw Hill, 4e

Nagarajan N. (ed.) (2004): *Bank Economists' Conference, 2002 – Vol. I & II, Indian Banking: Managing Transformation – Structure*, Hyderabad, ICFAI, 1e

Justin P. & Padmalatha S. (2007): *Management of Banking & Financial Services*, New Delhi, Pearson

Rajashekar N. (ed.) (2001): *Banking in the New Millennium*, Hyderabad, ICFAI

Whiting D. P. (1994): *Mastering Banking*, London, Macmillan, 2e

Rayudu C.S. (2004): *E-Commerce and E-Business*, Mumbai, Himalaya