

Name of the Programme: Bachelor of Commerce (Honors)

Course Code: COM-112 Title of the Course: Fundamentals of Banking

Number of Credits: 04

Effective from AY: 2023-24

<b>Pre-requisites for the Course:</b>	Nil						
<b>Course Objectives:</b>	Objectives of the Course are: 1. To acquaint the learners with the structure, types, and systems of banking. 2. To impart knowledge of functions, types of customers and banker-customer relationship. 3. To familiarize the learners with Negotiable Instruments 4. To equip the learners with the basics of e-banking						
<b>Content:</b>	<table border="1"><tr><td><b>Unit 1: Introduction to Banking</b> Origin of Modern Banking in India, Meaning and Definition of Banking. Structure of Banking in India &amp; Types of Banks: Public Sector Banks, Private Sector Banks, Foreign Banks, Regional Rural Banks, Payment Banks, Small Saving Banks. System of Banking: Unit Banking and Branch Banking. RBI: History, Role, and Functions.</td><td><b>10 hours</b></td></tr><tr><td><b>Unit 2: Functions, Types of Customers and Banker-Customer Relationship</b> Primary Functions Accepting Deposits: Importance of Deposits, Classification of Deposits – Demand, Time and Hybrid, Different types of Deposits – Saving, Current, Fixed, Recurring and Hybrid. DEMAT Account: Meaning and Functions. Loans and Advances: Importance of Lending, Principles of Lending, Classification of Lending: Fund Based Credit Facilities – Cash Credit, Overdraft, Demand Loan, Bill Purchased, Bill Discounted, Project Finance. Non-fund Based Credit Facilities – Guarantees, Letter of Credit. Secondary Functions and other Functions Utility Function, Agency Function and Other Fee Based Services</td><td><b>20 hours</b></td></tr><tr><td>Types of Bank Customers and Procedure and Practice in Opening Accounts of Different Customers: Minor, Individual Joint Account. KYC Norms and e-KYC. Banker-Customer Relationship – General and Termination. <b>Unit 3: Negotiable Instruments</b> Introduction – Meaning and Definition – Features – Kinds of Negotiable Instruments: Promissory Note, Bills of Exchange, and Cheque. Crossing of Cheque, Types of Crossing; Endorsements: Meaning, Importance and Kinds of Endorsement, Rules for Endorsement. Paying Banker: Introduction-meaning-Role-Functions-Duties. Collecting Banker: Introduction-Meaning-Legal status of collecting banker- Holder for Value-Holder in due course.</td><td><b>15 hours</b></td></tr></table>	<b>Unit 1: Introduction to Banking</b> Origin of Modern Banking in India, Meaning and Definition of Banking. Structure of Banking in India & Types of Banks: Public Sector Banks, Private Sector Banks, Foreign Banks, Regional Rural Banks, Payment Banks, Small Saving Banks. System of Banking: Unit Banking and Branch Banking. RBI: History, Role, and Functions.	<b>10 hours</b>	<b>Unit 2: Functions, Types of Customers and Banker-Customer Relationship</b> Primary Functions Accepting Deposits: Importance of Deposits, Classification of Deposits – Demand, Time and Hybrid, Different types of Deposits – Saving, Current, Fixed, Recurring and Hybrid. DEMAT Account: Meaning and Functions. Loans and Advances: Importance of Lending, Principles of Lending, Classification of Lending: Fund Based Credit Facilities – Cash Credit, Overdraft, Demand Loan, Bill Purchased, Bill Discounted, Project Finance. Non-fund Based Credit Facilities – Guarantees, Letter of Credit. Secondary Functions and other Functions Utility Function, Agency Function and Other Fee Based Services	<b>20 hours</b>	Types of Bank Customers and Procedure and Practice in Opening Accounts of Different Customers: Minor, Individual Joint Account. KYC Norms and e-KYC. Banker-Customer Relationship – General and Termination. <b>Unit 3: Negotiable Instruments</b> Introduction – Meaning and Definition – Features – Kinds of Negotiable Instruments: Promissory Note, Bills of Exchange, and Cheque. Crossing of Cheque, Types of Crossing; Endorsements: Meaning, Importance and Kinds of Endorsement, Rules for Endorsement. Paying Banker: Introduction-meaning-Role-Functions-Duties. Collecting Banker: Introduction-Meaning-Legal status of collecting banker- Holder for Value-Holder in due course.	<b>15 hours</b>
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	<p><b>Unit 4: E-Banking in India</b>  Meaning, Characteristics, Benefits and Drawbacks of E-Banking, Types of E-Banking.  ATM, Debit Card, Credit Card, NEFT, RTGS, ECS (Debit and Credit)– Meaning, Features and Functions.  NPCI: Functions and Products – Aadhaar Enabled Payment Systems, Bharat Bill Payment System, BHIM, Cheque Truncation System, Digital Rupee, Immediate Payment Service, National Automated Clearing House, National Common Mobility Card, National Financial Switch, NUUP Services, RuPay, Unified Payments Interface, BharatQR. (in brief).</p>	<p><b>15 hours</b></p>
<p><b>Pedagogy:</b></p>	<p>Lectures, Group discussions, Seminars, Case studies, Field work</p>	
<p><b>Reference/ Readings:</b></p>	<p><b>Books:</b></p> <ol style="list-style-type: none"> <li>1. Natarajan, S, and Parameswaran R, (2015). Indian Banking (Revised Ed.). S. Chand.</li> <li>2. Indian Institute of Banking and Finance, (2016). Digital Banking. Taxmann.</li> <li>3. Indian Institute of Banking and Finance,(2010). Banking Products and Services. Taxmann.</li> <li>4. Indian Institute of Banking and Finance (2015). Principles &amp; Practices of Banking (3<sup>rd</sup> Ed). Macmillan Education.</li> <li>5. Indian Institute of Banking and Finance, (2010). Basics of Banking. Taxmann.</li> <li>6. Khubchandani, B S, (2000). Practice and Law of Banking. Macmillan.</li> <li>7. Agarwal O P, (2012). Modern Banking of India (2<sup>nd</sup> Ed.). Himalaya Publishing House.</li> <li>8. Srivastava P K, (2013). Banking: Theory and Practice (12<sup>th</sup> Ed). Himalaya Publishing House.</li> <li>9. Kandasami K P , Natarajan S, Parameswaran R, (2009). Banking Law and Practice (4<sup>th</sup> Ed.) S. Chand.</li> <li>10. Gordon and Natarajan, (2006). Banking: Theory, Law and Practice (12<sup>th</sup> Ed). Himalaya Publishing House.</li> </ol> <p><b>Journals:</b></p> <ol style="list-style-type: none"> <li>1. The Indian Banker, published by Indian Banker Association</li> <li>2. Bank Quest, published by Indian Institute of Banking and Finance</li> <li>3. Trends and Progress of Indian Banking (Annual) published by RBI.</li> </ol> <p><b>Websites:</b></p> <ol style="list-style-type: none"> <li>1. Reserve Bank of India - <a href="http://www.rbi.org.in">www.rbi.org.in</a></li> <li>2. Indian Institute of Banking and Finance - <a href="http://www.iibf.org.in">www.iibf.org.in</a></li> <li>3. Indian Banker’s Association - <a href="http://www.iba.org.in">www.iba.org.in</a></li> <li>4. Institute of Banking Personal Selection - <a href="http://www.ibps.in">www.ibps.in</a></li> <li>5. Institute of Finance, Banking and Insurance - <a href="http://www.ifbi.com">www.ifbi.com</a></li> <li>6. State Bank of India - <a href="http://www.onlinesbi.sbi">www.onlinesbi.sbi</a></li> <li>7. National Payment Corporation of India - <a href="http://www.npci.org.in">www.npci.org.in</a></li> </ol>	
<p><b>Course Outcomes:</b></p>	<p>After the completion of this course, the learners will be able to:</p> <p><b>CO 1:</b> Explain the structures, types and systems of banking.  <b>CO 2:</b> Explain the functions, types of customers and banker-customer relationship.  <b>CO 3:</b> Elucidate negotiable instruments.  <b>CO 4:</b> Practice e-banking.</p>	