



Post-Graduate Diploma Course on Banking and Finance Syllabus

Session 2013-14

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| (1) | OPJBF101 | Financial Institution and Financial Markets, |
| (2) | OPJBF102 | Bank management, |
| (3) | OPJBF103 | Banking Law and Practice, |
| (4) | OPJBF104 | Bank Credit, |
| (5) | OPJBF105 | Foreign-Exchange-Financing of Foreign Trade, |
| (6) | OPJBF106 | Dissertation:-A student shall have to write and submit a dissertation on banking topic before Annual examination, which shall be evaluated separately. |
| (7) | OPJBF107 | Viva-Voce: - After written examination, a student shall have to give Viva-voce (Oral exam.) for which he/she will be evaluated. Dissertation and viva-voce forms a separate Head (6th) of Passing. |
| (8) | OPJBF 108 | Practical Training:- Every student shall have to put up an internship in a Bank located in Kolhapur city for a period of one 15 days before annual examination. |

Paper- I

Financial Institutions and Financial Markets:

Unit-I

Banking and financial institutions in India: Commercial Banks, Cooperative Banks, Regional Rural Banks, Agriculture and Rural Development Banks (SLDBs), Development Banks and NBFCs; their constitution, Functions, Working and Evolution. Reserve Bank of India: Traditional and Developmental Functions and Working. Objectives, Instruments of Monetary Policy

Unit-II

Financial markets:: Structure, institution and operating mechanism and its role in Economic Development. Developed and Underdeveloped Markets, Money Market in India: Importance, features instruments. Measures to strengthen money market in India. Recommendations of the working group on money market, Report of the task force on money market and mutual funds.

Unit- III



Capital Markets in India: New issue market and stock exchange, importance of stock exchanges: National stock exchange, methods of floating new issues, types of shares and debentures, The Securities and Exchange Board of India (SEBI), need for establishment of SEBI. Objectives and role of SEBI, Capital Market reforms,

Unit- IV

Credit Rating in India: Why and what is credit rating, credit rating institutions in India, limitation to rating, depository services, factoring, leasing and hire purchase, venture capital, securitisation of assets, portfolio management, risk and return, reforms in banking and finance, reports of the committees; Chakravarty committee, Narsimham committee I & II

Paper - II Bank Management

Unit - I

Nature of Banking Business: Socio, Economic and legal environment of banking business in India - official regulation and control over banks in India: Banking Regulation Act, 1949, Reserve Bank of India Act, 1934, Banking companies Act, 1970 etc - Diversification of Banking in India.

Unit - II

Forms of Banking: Branch Banking, Unit Banking, Group Banking Chain Banking, Banking, correspondent Banking. Process of Bank Management; Branch location policies and decisions, organizational Structure of Commercial Banks in India Department set up of head office, Zonal Office, Regional office and Branchy offices. Delegation of authority in banks,

Unit - III

Bank Balance Sheet: Management of assets and liabilities in banks - Profit Profitability and Productivity in banks - Management of large sized branches and rural branches. Internal control and Performance budgeting system - Management Information system Income Recognition and asset classification norms

Unit - IV

Human Resource Development in Banks: Manpower Planning, Recruitment, Training, Promotion, Motivation, Bank Marketing: Product Planning and Development. Computerization of Banks: Need, application, progress, problems. Current Issues and Problems of Management of Banks in India.



Paper - III

Banking Law and Practice

Unit - I

Banker - Customer Relationship: Definition and Meaning of "Banker" and "Customer"
- Permitted activities of Commercial Banks in India - General and Special Features of their relationship, Their rights and duties.

Unit - II

Deposit Accounts: Opening Operations and Closure of a] Fixed Deposit Account b] Recurring Account c] Savings Account d] Current Account e] Deposit Schemes for NRIs. Other Deposit Schemes, Mandate and Power of Attorney - Nomination Facility - Insurance of Bank Deposits

Unit - III

Banking Instruments: Definitions of Negotiable Instrument [NI] - Different Types of NIs and other Instruments - parties to NIs - Crossing - Endorsements - Payment and Collection of Cheques - Forged instruments - Bouncing of Cheques and their implications - Various laws affecting bankers.

Unit - IV

Banking Services: Remittances - Safe Custody - Safe Deposit Vaults - Collection Facility - MICR Clearing ATMs - Credit cards and Debit Cards - Travellers' Cheques - Gift Cheques - Ombudsman and Customer Services - Fraud Detection and Control Accounting conventions, basic accounting principles, bank reconciliation statements, procedure leading to preparation of final accounts, self-balancing ledgers, Accounting in banking companies under computer environment - Introduction to accounting standards

N.B. This paper has to be studied in the light of case laws and practical problems.

PAPER - IV

Bank Credit

Unit - I

Establishing banks lending policies under changing socio-economic and legal environment -types and Forms of bank advances - Principles of credit management - types of documents used for lending - Modes of creating charge - Evaluation of different types of securities.

Unit - II



Analysis of financial statements with the help of accounting ratios fund flow and cash flow statements and other emerging techniques Credit Appraisal Techniques: Financial analysis techniques for bank lending – Assessment of credit needs for fixed assets and working capital – Monitoring of advances – renewal and recovery of advances – Nursing of sick units.

Unit - III

Lending Schemes: Socio - Economic and poverty alleviation programmes/Self employment schemes: DRI, IRDP,SEEUY,SEPUP, Micro Financing: Financing of self help groups by banks and NGOs – Women Entrepreneurs, Small borrowers, SSIs, Personal and Consumer loans, Housing Finance, Agriculture finance, Loan syndication, Federal Financing.

Unit - IV

Linking credit with Government Economic Plans: Lead Bank Scheme and Service Area Approach, role of NABARD, Recommendations of CRAFTICARD [Sivaraman Committee]. ACRC [Khusro Committee], Refinance and credit guarantee facilities for banks. Current Issue and Problems

PAPER - V

Foreign Exchange and Financing of Foreign Trade

Unit-I

Concept of Foreign Exchange (FE), Principles of foreign exchange, Meaning of foreign trade, Commercial terms (inco terms) and Documents used in the delivery of goods and payments, Instruments of International Remittances: Drafts, Mail and Telegraphic Payment Orders, Collection of Bills of exchange both clean and documentary covering exports and imports, letters of credit, T.C. etc.

Unit - II

Functions of FE Dealer of a Bank, FE transactions of Banks: Buying and Selling, Spot and Forward. FE Quotations: Types: Direct and Indirect, Correspondent Bank Relationships and accounting Mechanism, between Bank Offices: Nostro, Vostro & Loro Accounts. Calculation of appropriate rates of exchange: Spot and Forward. FE Dealing: Exchange, Cash & Accounts positions of a bank. Need for cover operations. Swap, Hedging, Leads and Lags and Arbitrage operations of banks, Risks in FE Management.

Unit - III

FE Regulations and Managements, Role of ECGC. Role of EXIM Bank, RBI: Mechanism for regulating foreign exchange markets. FE Markets: Recommendations of expert



committees on FE markets (Sodhani Committee). LERMS, Convertibility: Capital and Current Accounts (Tarapore Committee Report). Balance of Trade & Payment, Financing of imports & exports by banks. Facilities to exporters,

Unit - IV

Role of International Organizations like IMF, IBRD, IDA, ADB in promoting international trade & liquidity, Euro Currency Loan, Recent Issues and Problems: Asia Currency Crisis, Euro Dollar issues etc.

Suggested Reading-

- Report of the Committee on Financial Sector Reforms (Narsimham Committee I & II)
- Report of the Committee on working of Monetary System in India (Chakravarty committee)
- Commercial Banking by Indian Institution of Bankers volume I, II and III
- Report of committee on Customer Service by Indian Banks Association (Goiporia Committee)
- Practice of Law of Banking by H. R. Suneja
- Banking Law and Practice by P. N. Varshney
- Practice of Banking Advances by Bedi and Hardikar
- Law and Practice of Banking by P. N. Varshney and Gopal Swaroop
- Banking- Theory, Law and Practice by Gordon & Natarajan
- Banks and Institutional Management by Vasant Desai
- Foreign Trade and Foreign Exchange by B. K. Chaudhari & O. P. Agarwal
- Bank Financial Management Indian Institute of banking & Finance
- Hand Book on Lending to Agriculture by D. P. Sarada
- Indian Financial System by H.R.Machiraju
- Risk Management by Dr. G. Kotreshwar
- Regulatory Requirements under FEMA- Foreign Exchange Dealers Association
- Bonds and Money Markets
- Environment and Management of Financial Services by O. P. Agarwal
- Practice and Law of Banking by B. S. Khubchandani Law and Practice of Banking by S. K. Davar
- Banking Law and Practices in India by Tannan
- RBI, IBA and NABARD Journals.
- Commercial Banking, Vol. II, Indian Institute of Bankers, Mumbai.