

Punyashlok Ahilyadevi Holkar Solapur University, Solapur



Name of the Faculty: Commerce & Management

CHOICE BASED CREDIT SYSTEM

Syllabus: Advanced Banking and Financial System

(Paper I & II)

(DSC- M.com 1.2, SCT- M.com 2.2) Credits-5+5

**Name of the Course: M.Com. I (Sem.– I & II)
(w.e.f. June 2020)**

PUNYASHLOK AHILYADEVI HOLKAR SOLAPUR UNIVERSITY, SOLAPUR
Choice Based Credit System (CBCS) Pattern Syllabus
M.Com. Part – I
ADVANCED BANKING AND FINANCIAL SYSTEM
Paper – I: Law and Practice of Banking in India
(DSC- M.com 1.2)
(w. e. f. June 2020)

SEMESTER-I

Course Objectives:

- 1) To provide the knowledge about banking regulation act 1949, indian banking.
- 2) To aware the students about Commercial banks and micro finance.
- 3) To aware the students about Banking customer relationship and SBI.
- 4) To aware the students about the role of Researve Bank of India and Export Finance.

Course Outcomes:

- 1) The Students will be Provided Knowledge about banking regulation act 1949, indian banking system.
- 2) Awareness will be created among the Students about Commercial banks and micro finance.
- 3) The Students will become aware about Banking customer relationship and SBI.
- 4) The Students will Become Aware about the role of Researve Bank of India and Export Finance.

SEMESTER: - I

Unit 1: The Banking Regulation Act, 1949.

(Periods -15)

Main Provisions of the BRA & its Amendments:

- a) Evolution of Banking Laws and Regulation in India
- b) Banking Laws and Regulation act 1949
- c) Definitions of Banking & Banking Company.
- d) Restriction on Nature of Subsidiary Companies.
- e) Minimum Paid-up Capital and Reserves
- f) Licensing of Bank Companies
- g) Restrictions on the Opening of Branches
- h) Maintenance of Cash Reserve, liquid Assets in India.
- i) Management of a Banking company.
- j) RBI's power to give directions to control Bank Loans & Advances.
- k) Final Accounts –Profit & Loss Account & Balance Sheet.
- l) Reconstruction of Amalgamation.
- m) Winding up.

Unit 2: Indian Banking System and Apex Banks. (Periods -15)

- a. Introduction- Phase-I: Pre Independence, Initiation of Joint Stock Banks in India.
Phase-II: Post Independence till Economic reforms.
(Nationalization, Objectives and Impact of Nationalization)
Phase-III: Post LPG- Banking Sector Reforms.
- b. Structure of Banking System in India.
- c. Banking and Economic Development
- d. Apex Banking Institution in India- National Bank for Agriculture and Rural Development (NABARD), Export and Import Bank (EXIM), National Housing Bank (NHB), Small Industrial Development Bank of India (SIDBI).

Unit 3: Commercial Banks and Priority Sectors. (Periods -15)

- a. Commercial Banking Structure in India
- b. Organizational Structure of Schedule Commercial Bank in India.
- c. Technique of Credit Creation by Commercial Bank in India
- d. Loan Policy of Commercial Bank in India
- e. Management of Advances and Liabilities Bank.
- f. Management of Non Performing Asset.
- g. Classification of Priority Sector and description of loans.
- h. Common Guidelines for Priority Sector advances.
- i. Commercial Banks and Agricultural Finance - Objectives of Agricultural finance, RBI's Guidelines to commercial Banks on Agricultural finance.

Unit 4: Micro Finance. (Periods -15)

- a. Introduction - Microcredit and Microfinance
- b. Difference between Microcredit and Microfinance.
- c. Essential features of Credit for Microfinance
- d. SHGs – Bank Linkage Programme (SBLP) Model and MFI Model.
- e. Micro – Finance in the Indian Context-Policy Initiatives in India; Regulation of Microfinance Institutions.
- f. Micro- Insurance- Consultative Group Recommendations.
- g. Progress of Microfinance in India – Impact of Microfinance in India.

SEMESTER: - II

Unit 5: The Bankers Customer Relationship. (Periods -15)

- a. Banker- Definition – Permitted and Prohibited Business for Banking Company.
- b. Customer - Definition, General Relationship between Banker and Customer, Trustee, Agent, Adviser
- c. Bankers' Obligation to Honour Cheques.
- d. Right of General Lien
- e. Secrecy of Accounts
- f. Baker's Right to Claim Incidental Charges
- g. Law of Limitation on Bank Deposits
- h. Entries in the Pass Book.
- i. Termination of Banker – Customer Relationship

Unit 6: The State Bank of India.**(Periods -15)**

- a. Brief History and Origin, Structure and Organization and Objectives.
- b. Functions of state Bank of India
- c. Strategies and New Developments
- d. Risk Management in SBI.
- e. NPAs Management in SBI
- f. SBI & The Priority Sectors

Unit 7: The Reserve Bank of India.**(Periods -15)**

- a. Introduction and History of RBI.
- b. Structure, Organization and Governance of RBI.
- c. Objectives & Nationalization of the RBI.
- d. Functions of the RBI (Issue of Notes, Banker's bank, Lender of Last Resort, Bank of Govt. Exchange Control, Development Role)
- e. RBI and Monetary Policy - Monetary Policy Instruments.
- f. Control of Credit by the RBI (Qualitative and Quantitative Methods).

Unit 8: Export Finance.**(Periods -15)**

- a. Pre- Shipment Finance and Post-Shipment Finance.
- b. Insurance Policies to Exporters.
- c. Financial Guarantees to Bankers.
- d. Direct Finance for Export by IDBI
- e. Refinance of Export Credit by IDBI
- f. Refinance of Export Credit by RBI
- g. Export Credit and Guarantee Corporation Ltd.
- h. EXIM Bank

References:

1. Sukhvinder Mishra – Banking Law & Practice.
2. E. Gordon & K. Natrajan- Banking Theory, Law & Practice.
3. Maheshwari S.N. & Maheshwari S.K. - Banking Law & Practice
4. Tannan M.L. - Banking Law & Practice In India
5. National Institute of Banking and Finance- Principles & Practices of Banking.
6. National Institute of Banking and Finance- Bank Financial Management.
7. Srivastawa P.K. - Banking Theory & Practice.
8. Shekhar K.C. - Banking Theory & Practice
9. Radhaswami M & Vasudevan S.V. – Banking
10. Sayer R.S. - Modern Banking
11. Reddy Appannaiah - Theory & Practice of Banking
12. Parameswaran R. Natarajan S. - Indian Banking
13. Deodhar Abhyankar - Indian Financial System.

PUNYASHLOK AHILYADEVI HOLKAR SOLAPUR UNIVERSITY, SOLAPUR
Choice Based Credit System (CBCS) Pattern Syllabus
M.Com. Part – I
ADVANCED BANKING AND FINANCIAL SYSTEM
Paper – II: Bank Financial Management
(SCT- M.com 2.2)
(w. e. f. June 2020)

Course Objectives:

- 1) To aware the students about banking system and organisatio and management of bankinf services.
- 2) To provide the knowledge about liquidity, credit and risk management.
- 3) To aware the students about electronic banking, money and capital market.
- 4) To aware the students about major issues and recent development in indian financial system and customer services.

Course Outcomes:

- 1) Awareness will be created among the students about banking system and organisatio and management of bankinf services.
- 2) The students will be provided knowledge about liquidity, credit and risk management.
- 3) The students will become aware about electronic banking, money and capital market.
- 4) The students will become aware about major issues and recent development in indian financial system and customer services.

SEMESTER: - I

Unit 1: Banking Systems India.

(Periods -10)

Banking System- Unit Banking, Branch Banking, Correspondent banking, Universal Banking, Merchant Banking, Narrow Banking, Wholesale Banking, Private banking, Retail banking, Regional Banking, Chain banking, Group Banking, Relationship Banking, Pure and Mixed banking.

Unit 2: Organization and Management of Banking Services. (Periods -15)

Forms of Organization-Internal Organization –Structure of Top Management – Organizational Pattern –Delegation of Authority Departments in the Head Office – Departments in the Branch-Productivity, Efficiency and Profitability in Banks – Costing & Costing of Banking Services, Marketing of Banking Services, Concept of Bank Pricing.

Unit 3: Liquidity and Credit Management.

(Periods -20)

Commercial Loan Theory - Shift Ability Theory, The Anticipated Income Theory- Importance of Liquidity in Banking Business – Factors Determining Liquidity Investment Policy of Bank. Principles of Bank Lending. Liquidity, Profitability, Safety and Security, Purpose, Social Responsibility, Industrial and Geographical Diversification, Recommendations of Talwar Committee.
Overview of Credit management, Analysis of Financial statement, Working capital Finance, Terms Loans, Credit delivery, Credit Control and Monitoring, Risk management and Credit rating.

Unit 4: Risk management. (Periods -15)

Risk- Concept, Basic Risk in management framework, Risk in Banking business, Risk regulations in Banking Industry, Market risk, Credit risk, Operational risk, and Integrated risk management, Risk management and Basel I, II & III.

SEMESTER II

Unit 5: Electronic Banking and Internal Banking. (Periods -15)

Traditional Banking vs E Banking - Facets Of E Banking –Customer to Bank E Banking –Bank To Bank E Banking –Models For E Banking –Advantages And Constraints In E Banking –Internet Banking Online Banking Services-How to do Internet Banking – Internet Bank And Strategic Implications –Security Aspect – Hurdles.

Unit 6: Money and Capital Market. (Periods -15)

Indian Money Market –Money Market instruments in India, Recent Development in Money Market, DFHI-Comparison of London, New York & Indian money market. Indian Capital Market-Structure –Bombay Stock Exchange –SEBI, Recent Development in Capital Market- Govt. securities Market. Payment and Settlement System in India.

Unit 7: Major Issues and Recent Development in the Indian Financial System.

(Periods -15)

Narasimham Committee Report (I) 1991 & (II) 1998 on the financial system – Recommendations, Follow up and Action, Working Group on Housing Finance – Recommendations, Follow up and Action. Recent development in Forex Market.

Unit 8: Customer Service. (Periods -15)

Customer Orientation –Basic Items to be Considered –Banking Ombudsman Scheme–Half Yearly Closing – Customer’s Problems –Customer Relationship Management –HRB in Banks. Goiporia Committee on Customer Service.

REFERENCES:

1. National Institute of Banking and Finance- Principles & Practices of Banking.
2. National Institute of Banking and Finance- Bank Financial Management.
3. Tannan M.L. - Banking Law & Practice In India
4. Srivastawa P.K. - Banking Theory & Practice.
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9. Parameswaran R. Natarajan S. - Indian Banking
10. Deodhar Abhyankar - Indian Financial System
11. Patodiya S. N. – Practicle Problems on Banking
12. Soni S & V Aggrawal- Computers and Banking- Sultan Chand and Sons new delhi



पुण्यश्लोक अहिल्यादेवी होळकर
सोलापूर विद्यापीठ

॥ विद्यया संयन्ता ॥

NAAC Accredited-2015
"B" Grade (CGPA 2.62)

पुण्यश्लोक अहिल्यादेवी होळकर सोलापूर विद्यापीठ, सोलापूर
Punyashlok Ahilyadevi Holkar Solapur University, Solapur
Faculty of Commerce & Management
Nature of Question Paper for CBCS Pattern
M. Com. (Part- I & II) w.e.f.2020-21



EQUIVALENCE:

S. N.	Name of the Old Paper	Name of the New Paper
1	ADVANCED BANKING AND FINANCIAL SYSTEM SEM-I & II: Paper – I: Law and Practice of Banking in India SEM-I & II: Paper – II: Bank Financial Management	ADVANCED BANKING AND FINANCIAL SYSTEM SEM-I & II: Paper – I: Law and Practice of Banking in India (DSC- M.com 1.2) SEM-I & II: Paper – II: Bank Financial Management (SCT- M.com 2.2)



पुण्यश्लोक अहिल्यादेवी होळकर
सोलापूर विद्यापीठ

॥ विद्यया संयन्ता ॥

NAAC Accredited-2015
"B" Grade (CGPA 2.62)

पुण्यश्लोक अहिल्यादेवी होळकर सोलापूर विद्यापीठ, सोलापूर
Punyashlok Ahilyadevi Holkar Solapur University, Solapur
Faculty of Commerce & Management
Nature of Question Paper for CBCS Pattern
M. Com. (Part- I & II) w.e.f.2020-21



Time:- 3 hrs.

Total Marks – 80

Q. 1 A.	Multiple Choice Questions (One Mark Each)	10
1)	----- (a) (b) (c) (d)	
2)		
3)		
4)		
5)		
6)		
7)		
8)		
9)		
10)		
B.	Fill in the blanks/True or false. (One Mark Each)	06
1)		
2)		
3)		
4)		
5)		
6)		
Q.2	Answer the following. (Short note)	16
1)		
2)		
3)		
4)		
Q.3	Attempt the following. (Short Answer)	16
1)		
2)		
Q.4	Attempt <u>any one</u> of the following. (Long Answer)	16
A)		
	OR	
B)		
Q.5	Attempt <u>any one</u> of the following. (Long Answer)	16
A)		
	OR	
B)		