

COMMERCE ELECTIVES SEMESTER-II

B.COM.

SEMESTER II

Banking II (GE 2)

(100 Marks- 60 Lectures)

Objective: To provide an insight to banker-customer relationship, banking technology, bank financials and regulations.

Unit I Banker-Customer Relationship

(20 Marks-15 Lectures)

General relationship between banker and customer, Special features of banker-customer relationship, Banker as a debtor, creditor, trustee agent, consultant, bailee, and lessor, Obligation to honour cheques, to maintain secrecy of customer accounts, obligation of immediate credit of outstation cheques. Banker's Rights: Banker's Lien, Right to Set-off, Right of appropriation of accounts, Right to charge interest/commission, Right of assignment, termination of relationship, Paperless banking, branchless banking, Day-wise banking, global banking, priority banking.

Unit - II Technology in Banking

(25 marks and 15 lectures)

Electronic Banking - Introduction, Impact of information technology on banking, Conventional systems: Demand drafts & pay orders and their clearing, drawbacks/difficulties of these systems. Electronic fund transfer system: RTGS, NEFT & SWIFT. Electronic Clearing Systems (ECS). Debit & Credit cards, Automated Teller Machines (ATMs), HWAK, PIN, Signal storage and Retrieval, Core Banking, Telephone Banking, Mobile banking, Internet banking, Recent trends and developments in banking technology: CTS; Note & Coin Counting & Vending Machines; Microfiche; Banking payment intermediaries -RUPAY, VISA, Mastercard etc. Components & Modes of Transmission; Emerging trends in banking Communication, Networks for Banking. Funds Transfer Systems.

Unit III Financial Statement Analysis of Banks

(30 Marks- 20 Lectures)

Meaning and Significance of Financial Statements, Financial Statements of banks, Assets and Liabilities of a Bank, Revenue and Expense of a Bank, Bank Financial / Performance Analysis Ratios - CAMELS approach: Capital Adequacy Ratios, CD Ratio, Assets Quality Ratios, Profitability Ratios, Liquidity Ratios and Productivity Ratios, Practical problems on ratios.

Unit IV An Overview of Banking Regulations (25 Marks-10 Lectures)

Banking Regulation Act, 1949 - objectives and functions, Reserve Bank of India Act, 1934 Objectives and functions. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Act 2002- objectives and functions. A brief introduction to: Ombudsman Act, Credit Information Bureau (India) Ltd., Reforms in banking sector (Second generation reforms), Negotiable Instruments - Features of negotiable instruments, Promissory notes, Cheques and other instruments. Types of Cheques - Bearer and Crossed cheques (General Crossing and Special Crossing). Endorsements of cheques: meaning and importance.

References:

Books

1. Indian Institute of Banking and Finance, Principles and Practices of Banking, (2nd Edition) Macmillan Publication India Limited, New Delhi.
2. Indian Institute of Banking and Finance, Basics of Banking (Know your Bankin), Taxman Publication Pvt. Ltd. New Delhi.
3. Indian Institute of Banking and Finance, Banking Products and Services, Taxman Publication Pvt. Ltd. New Delhi.
4. B. S. Khubchandani, Practice and Law of Banking, Macmillan Publisher India Ltd. New Delhi.
5. Gordon and Natarajan, Banking Theory, Law and Practice, (21st revision edition) Himalaya Publishing House Ltd., Mumbai
6. Dr. P. K. Srivastava, Banking Theory and Practice, Himalaya Publishing House Ltd. Mumbai.
7. P. N. Varshney, Banking Law and Practice, Sultan Chand and Sons, New Delhi.
8. D. Muraleedharan, Modern Banking Theory and Practice, PHI Learning Pvt. Ltd. New Delhi.
9. K. C. Shekhar and Lekshmy Shekhar, Banking Theory and Practice, Vikas Publishing House Pvt. Ltd. New Delhi.
10. O. P. Agarwal, Modern Banking in India, Himalaya Publishing House, New Delhi.
11. DR. K. M. Bhattacharya and O. P. Agarwal, Basic of Banking and Finance, Himalaya Publishing House Ltd. Mumbai.
12. H. L. Bedi and V. K. Hardikar, Practical Banking and Advances USB Publishers Distribution Ltd. New Delhi.

Journals

1. RBI bulletins on Banking (Yearly)
2. The Indian Banker, Indian Bank's Association
3. The IUP Journal of Bank Management, IUP publications, Hyderabad
4. IIB Journal, Indian Institute of Banking & Finance.

Website

1. Reserve Bank of India www.rbi.org.in
2. Indian Institute of Banking and Finance www.iibf.org.in
3. Indian Banker, Indian Bank's Association www.iba.org.in