



\*\*\*\*\* B+  
Accredited By NAAC

New Syllabus For

**Post-Graduate Diploma Course  
On  
Banking and Finance**

(Subject to the modifications to be made from time to time)

**Syllabus to be implemented from June 2007 onwards.**

## **Post-Graduate Diploma Course On Banking and Finance**

### **Background**

The Financial sector, more specifically, Banking Sector has become very vibrant after implementation of new economic policy and introduction of financial sector reforms by the Government/Reserve Bank Of India. The impact of these changes is seen in the form of competition, technological up-gradation, diversification and thrust on retail banking with aggressive marketing strategy. The need of the hour, therefore, is to face the challenges with efficient, dedicated and energetic staff having required knowledge and skill.

The banking industry has approximately 10 lakh staff, mostly recruited during 1970-75. The staff has put in 25-30 years of service and the average age is 48. Majority of the staff is experienced in traditional banking with manual systems and not very keen to acquire latest technology. The VRS Scheme implemented in 2001 saw experienced staff going out of the banks. As the average age of staff is 48, the banking industry is going to face mass retirement in near future. Also, there is no recruitment in Banks for last 15 years. The banks, therefore, particularly, public sector banks in India need young energetic staff, familiar with latest technology, ready to accept challenges and competent to handle business situations arising out of specialization. The banking sector, therefore, is open now for employment to new entrants. The BSRB, the centralized agency, which was responsible for recruiting staff in the banks, has stopped functioning and the banks have now freedom to take people from open market. Many of the banks have started recruitment drive for bank personnel.

It is on this background, we propose to start a Post-Graduate Diploma Course on Banking and Finance covering all the aspects of banking with one-year duration. We had asked comments of all the colleges under Shivaji University about the course and those replied expressed need for such type of separate diploma course on Banking & Finance. The syllabus and other details are given in the annexure

The need of the hour, in fact, is to have a post-graduate Degree course of two years duration on banking and finance where first year will be devoted to advance banking and in the second year the students can select two areas of banking for specialization i.e. marketing of services, corporate credit etc. The students with such a degree will have very bright chances and career in banking. Once the programme is introduced the idea of campus interview can also be explored with the banks. This we propose to initiate once the one-year diploma course is stabilized. To start with, we propose to introduce a new Post-Graduate Diploma in Banking and Finance.

Pune University, Sayajirao University, Baroda, NIBM, Pune and many other universities in India have started such specialized course on Banking and Finance

**Title of the course:****Post-Graduate Diploma in Banking and Finance****Objective:**

Keeping in view job prospects in banking & financial sector the objective of the course is to give in-depth knowledge of Banking & Finance to the students of commerce, management and economics with practical inputs and prepare them for career in Banks & other Financial Institutions.

**Structure of the Course:**

The course will be of one-year duration.

**The course contents:****I Theory Papers:**

- (1) Financial Institution and Financial Markets,
- (2) Bank management,
- (3) Banking Law and Practice,
- (4) Bank Credit,
- (5) Foreign-Exchange and Financing of Foreign Trade,

**II Dissertation:**

A student shall have to write and submit a dissertation on banking topic before Annual examination, which shall be evaluated separately

**III 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.

**IV 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.

**Allotment of Marks:**

The examination will consist of:

A written examination in five papers each of 100 marks and will be of three hours duration.

Viva-voce carrying 70 marks and dissertation carrying 30 marks combined together 100 marks will make one head of passing

To pass the examination a candidate must not obtain less than 40 % of the maximum number of marks, separately in (i) each subject and (ii) the viva voce.

Candidates securing more than 50 % and 60 % of the total marks will be declared to have passed in second and first division respectively.

The candidate who has failed to pass in all the subjects will be exempted to appear in those subjects in which, he has scored at least 50% marks in annual examination.

**Nature of question papers:**

Each paper will have same nature of question paper.

- Objective Type Questions 10 (Multiple Choice) 10 Marks
- Essay Type Questions
- Section I (One question out of two) 15 Marks
- Section II (Four questions out of six) 60 Marks
- Short Notes (3 out of 5) 15 Marks

**Working Programme:**

The course will be conducted during academic year of the university.

**No. of students to be admitted: 50**

(University may conduct entrance test if necessary)

**Fee for the course per student: Rs. 3500/-**

**Venue:**

The Course will be conducted in the Department of Commerce and Management, Shivaji University, Kolhapur.

**Time:**

As per the timetable of the university for post-graduate courses

**Basic Infrastructure:**

Department of Commerce and Management, Shivaji University, Kolhapur

**Teaching Staff:**

Department of Commerce and Management

Department of Economics

Few guest speakers from the field and the teachers from the affiliated colleges and other institutions may be invited as and when required.

**Opportunities:**

The students can get employment in commercial, co-operative and Regional rural Banks and other financial institutions. There is also good demand for students with knowledge of banking in insurance, non-government organizations and NBFC's also.

**Qualification of the Students:**

The course is meant for the graduates of Commerce, Business Management and Economics. However, for the purpose of eligibility any graduate can apply.

**Course Contents:**

# **Syllabus for P.G. Diploma in Banking and Finance**

## **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,SEEU,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 CRAFICARD [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 Dealer's 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.



## **Working of fee structure**

No of working days- 6

Lectures per day- 2

No of lectures per month- 48

Working period- January- October

December- March

Total no of lectures -384

Remuneration per lecture- Rs.200/-

Total expenses- Rs.76800/-

Coordinator's remuneration- Rs.12000/-

Office assistant- Rs.9000/-

Administrative expenses-Rs.10000/-

Printing & stationery- Rs.10000/-

Examination, evaluation etc-Rs.10000/-

**TOTAL Rs.127000/-**

**No of students- 50**

**Fee for break even RS.2556/-**

**Fee proposed Rs.3500/-**

Teachers required- one teacher for each subject &

Coordinator + guest speakers