

Associate Examination

JAIIB/CAIIB

**Rules and Syllabus
2007**



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INDIAN INSTITUTE OF BANKING & FINANCE

An ISO 9001 - 2000 CERTIFIED COMPANY

World Trade Centre, Cuffe Parade, Mumbai - 400 005.

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INDIAN INSTITUTE OF BANKING & FINANCE

Associate Examination (JAIIB / CAIIB) - Rules & Syllabus

1. ABOUT THE INSTITUTE

1.1 GENESIS

Indian Institute of Banking & Finance, a body of banks and financial institutions and professionals in banking and finance industry in India, was established on 30th April, 1928, at the initiative of few eminent bankers, businessmen and industrialists of India.

1.2 MISSION

The mission of the Institute is to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programmes.

1.3 OBJECTIVES

The objectives for which the Institute was established are :

1. To facilitate study of theory and practice of banking and finance
2. To test and certify attainment of competence in the profession of banking and finance
3. To collect, analyze and provide information needed by professionals in banking and finance
4. To promote continuous professional development
5. To promote and undertake research relating to operations, products, instruments, processes etc. in banking and finance and to encourage innovation and creativity among finance professionals so that they could face competition and succeed.

1.4 VISION

“To be premier Institute for developing and nurturing competent professionals in banking and financial field”.

1.5 ACTIVITIES

1. Design, develop and conduct examinations to test the proficiency of bank / financial sector employees in various areas of

operations of banks / financial institutions and finance related subjects.

2. Award certificates / diplomas to successful candidates.
3. Provide necessary educational support services such as tutorial classes, contact programmes and study material.
4. Dissemination of knowledge on banking and financial services through publication of quarterly journal “Bank Quest”, a monthly newsletter “IIB VISION” and e-newsletter called ‘fin@quest’ and by organising lectures / seminars, workshops as a part of continuing professional development programmes.
5. Conduct of seminars on topical matters across the country for the benefit of members.
6. Any other activity incidental to and facilitating the achievement of the basic objectives of the institute.

2. EXAMINATIONS

The Institute conducts following examinations :

A. For Members

- a) Associate Examination : JAIIB / CAIIB
- b) Certificate Examination in Banking Oriented Paper in Hindi (BOPH)

B. For Non - Members :

- a) Diploma in Banking & Finance (DBF)
- b) Certificate Examination for DSA / DMA

C. For Members / Non - Members :

- a) Diploma in Treasury, Investment and Risk Management (DTIRM)
- b) Diploma in Banking Technology (DBT)
- c) Diploma in International Banking and Finance (DIBF)
- d) Post Graduate Diploma in Financial Advising (PGDFA)
- e) Certificate Examination in Trade Finance (CTF)

- f) Certified Information System Banker (CeISB)
- g) Certificate Examination in Anti-Money Laundering / Know Your Customer (AML / KYC)

The Syllabi, Rules / Regulations, Examination forms and other information pertaining to the examinations are available with Institute’s offices at Mumbai, Chennai, New Delhi, Kolkata and also at such other centres / offices as may be notified from time to time. The same is also available at our website www.iibf.org.in

2.1 ASSOCIATE EXAMINATION (JAIIB/CAIIB) - OBJECTIVES

JAIIB aims at providing maximum level of basic knowledge in banking and financial systems, banking technology, customer relations, basic accountancy and legal aspects necessary for carrying out day to day banking operations.

CAIIB aims at providing advanced knowledge necessary for better decision making covering risk, financial and general bank management.

2.2 SYLLABUS

The details of the prescribed syllabus are furnished elsewhere in the booklet. Though a detailed syllabus has been prepared for all subjects, the same is only indicative and not exhaustive.

Keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the Associate Examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subjects of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time.

2.3 SUBJECTS

This examination has been divided into two parts, namely, JAIIB and CAIIB. Members can appear for CAIIB only after passing JAIIB. Subjects under each part are as under :

JAIIB

Subject Name :

1. Principles of Banking
2. Accounting and Finance for Bankers
3. Legal aspects of Banking

CAIIB

Subject Name :

1. Risk Management
2. Financial Management
3. General Bank Management

JAIIB and CAIIB have been equated with Part I and Part II respectively of the Associate Examination under old syllabus.

2.4 SCHEME OF EXEMPTIONS

The Institute will consider granting exemption from passing the following subjects for candidates who possess the qualification/s noted against each subject:

Subject	Prior qualification
JAIIB Accounting and Finance for Bankers	<ol style="list-style-type: none"> 1. Candidates who have passed M.Com. Examination with Accountancy as one of the subjects of any University (including deemed University). 2. C.A. / I.C.W.A. / C.S. / PGDBA in Finance of IIMs
Legal Aspects of Banking	<ol style="list-style-type: none"> 1. Candidates who are LL.M. and working in banks as Law Officers. 2. C.A.
CAIIB Financial Management	C.A. / I.C.W.A. / C.S. / PGDBA in Finance of IIMs

Please note :

1. Candidates possessing any qualification other than the above will not be granted exemption in above subjects.
2. Exemption on the basis of prior qualification will not be granted for any subject of JAIIB / CAIIB other than mentioned above.
3. Exemption Applications with incomplete documents will be liable for rejection.

How to apply for exemption

1. A candidate will be required to apply to the respective Zonal Office of the Institute (contact address given at the end of booklet) for exemption along with copies of the following duly attested by the Branch Manager or Sectional / Departmental Head :
 - a) mark sheets of all years
 - b) syllabus relating to the acquired qualification
 - c) certificate
2. The candidate should apply for exemption one month before submitting the examination application form for the examination. **In case of professional qualification like CA / CS / ICWA, the candidate may submit the attested copy of the certificate only.**
3. The decision of the Institute in the matter of grant of exemption will be final.
4. All communication in respect of exemptions should be made with the concerned Zonal office of the Institute. In any case, application for exemption should not be sent to the Corporate office of the Institute.
5. The decision in respect of exemption will be communicated to the candidate by the concerned zonal office.

The term 'A University in India' mentioned above will also include an institution recognised by the Association of Indian Universities.

2.5 PATTERN OF EXAMINATION

Questions for the JAIIB / CAIIB Examination will be asked calling for :

- **Knowledge testing**
- **Conceptual grasp**

- **Analytical / logical exposition**
- **Problem solving**
- **Case analysis**

Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals including “IIB VISION” and “Bank Quest” published by the Institute.

JAIIB

1. The JAIIB Examination will be of fully objective type (multiple choice) questions. Case study based questions may be asked.
2. About 120 questions per subject will be asked for the duration of two hours. The Institute may, however, vary the number of questions to be asked for a subject.
3. Each question paper will carry 100 marks.

CAIIB

1. The CAIIB Examination will be of fully objective type (multiple choice) questions. Case study based questions may be asked.
2. About 90 questions per subject will be asked for the duration of two hours. The Institute may, however, vary the number of questions to be asked for a subject.
3. Each question paper will carry 100 marks.

2.6 PERIODICITY AND EXAMINATION CENTRES

- JAIIB/CAIIB examination will be conducted normally twice a year in the months of May / June and November / December.
- Institute will conduct examinations at overseas centres provided there are at least five candidates to appear from each of such centre.
- A list of examination centres will be provided alongwith the Examination Application Form.
- Candidates will have to appear at the centre which they choose while applying for the examination first time and for the subsequent examinations also. The venue for the examination will be advised while issuing the examination admit card / hall ticket.

- Request for change in centre due to transfer or any other valid reason should be sent to the Institute 45 days before the commencement of the examination. Any request received thereafter will not be entertained.
- No change of centre request will be accepted for personal reasons. All the requests in case of change of centre due to transfer, training and deputation etc. should be accompanied by employer’s authentication.
- **The Institute reserves a right to close any of the existing centre/s on account of less number of candidates appearing from that centre or any other reason which it may think fit. In such case, candidates will be advised to appear at the examination from the nearest available centre.**

JAIIB

- Examination will be held under online and offline mode. Online examination will be held where necessary infrastructure facilities are available on three consecutive Sundays (one paper on each Sunday). The Institute will conduct examination under offline mode also at the centres selected for online mode examination.
- Examination under offline mode will be conducted on two consecutive Sundays (two papers on first Sunday and one paper on second Sunday).

CAIIB

- Examination will be conducted under offline mode only on two consecutive Sundays (two papers on first Sunday and one paper on second Sunday).

2.7 ELIGIBILITY

1. The Examination is open only to the ordinary members of the Institute who are in employment of the Institutions which are Institutional Members of IIBF provided individual and institutional subscription is not in arrears.
2. New members are advised of the examination for which they are eligible to appear while intimating their respective membership numbers.
3. a) Candidates must have passed the matriculation examination or its equivalent.
b) The Institute may, however at its discretion, allow any candidate from clerical or supervisory staff cadre to appear at the examination on the recommendation of the Manager of the bank / officer-in-charge

of the bank's office where the candidate is working, even if he/she is not a matriculate or its equivalent.

- c) Subordinate staff of recognised Banking / Financial Institutions in India, who are members of the Institute, are eligible to appear at the examination, provided they have passed the matriculation examination or its equivalent.
4. A candidate applying for CAIIB must have completed JAIIB or Part I of the Associate examination under old syllabus.

2.8 TIME LIMIT FOR PASSING THE EXAMINATION

- a) Candidates will be required to pass the examination (JAIIB/CAIIB) within a time limit of 2 years (i.e. 4 consecutive attempts). Initially a candidate will have to pay examination fee for a block of one year i.e. for two attempts. In case a candidate is not able to pass JAIIB / CAIIB Examination within a time limit of one year, he can appear for a further period of one year i.e. two attempts on payment of requisite fee.
- b) Candidates not able to pass JAIIB/CAIIB Examination within stipulated time period of two years are required to re-enroll themselves afresh by submitting a fresh Examination Application Form. Such candidates will not be granted credit/s for subject/s passed if any earlier. However, they will continue to be granted exemption in certain subject/s based on the qualifications acquired by them earlier.
- c) Attempts will be counted from the date of application irrespective of whether a candidate appears at any examination or otherwise.

2.9 EXAMINATION FEES

The fees payable by members for appearing at the examination centres in India for the Associate Examination.

Examination	Fees
JAIIB	
● 1 st Block of 2 attempts	Rs.1500/-
● 2 nd Block of 2 attempts	Rs.1500/-
CAIIB	
● 1 st Block of 2 attempts	Rs.1800/-
● 2 nd Block of 2 attempts	Rs.1800/-

However, **in case of members whose employer bank / financial institution is not or has ceased to be a member of the Institute**, fees payable are as under :

Examination	Fees
JAIIB	
● 1 st Block of 2 attempts	Rs.1800/-
● 2 nd Block of 2 attempts	Rs.1800/-
CAIIB	
● 1 st Block of 2 attempts	Rs.2200/-
● 2 nd Block of 2 attempts	Rs.2200/-

As regards candidates appearing at overseas centres :

1. There should be minimum five candidates applying for examination at any overseas centre, for conduct of Associate Examination at that centre.
2. The Examination Fee is **US Dollar 125** per attempt irrespective of number of subjects applied by the candidate.
3. The payment of examination fees must be made by a draft in US Dollar. Such candidates have to apply afresh for each attempt.
4. Candidates should send the examination forms to the Western Zonal Office (address given under Contact Details) of the Institute at least three months before the examination date.

2.10 MEDIUM OF EXAMINATION

Candidates are allowed to attempt the examination either in Hindi or English. They should fill in the Examination Application Form and clearly indicate the choice of medium. In the absence of a clear indication, English will be presumed as the medium opted. In any case change of medium will not be allowed at a later stage.

2.11 PROCEDURE FOR APPLYING FOR EXAMINATION

Examination Application Forms will be available at the Institute's website www.iibf.org.in which could be downloaded and filled in. The applications will be available at the Institute's zonal offices, Corporate Office and also at such other centres / offices as may be notified from time to time. Examination Application Forms duly filled in (for the detailed instructions refer the Examination Application Form) alongwith requisite examination

fee should be submitted to the respective zonal office at Mumbai, Chennai, New Delhi, Kolkata. The Institute accepts no responsibility for delay or inconvenience arising from the candidate's failure to reach the Examination Application Form in time or if the form is incomplete or failure to furnish all the essential information about himself / herself and the details of his / her examination.

2.12 ADMIT CARD

On - line Examination - JAIIB

- 1) The Institute's corporate office will issue Examination Admit Card for every examination containing details of venue and time of the examination as well as User ID, password to be used while appearing at the examination. User id will be the membership Number of the candidate.
- 2) Permanent Membership Identity Card is issued by the respective Zonal Office at the time of admission as a member or renewal of membership or on receipt of examination application form whichever is earlier.
- 3) The Examination Admit Card alongwith the Permanent Membership Identity Card should be produced to the Examination Authority each time in the examination venue for identification.
- 4) In absence of the Admit Card / Permanent Membership Identity Card, the candidate is liable to be denied permission in the examination venue.

Off - line Examination - JAIIB/CAIIB

- 1) Institute's zonal offices will send 'Examination Admit Cards / Hall Tickets containing venue details, etc.
- 2) Permanent Membership Identity Card is issued by the respective Zonal Office at the time of admission as a member or renewal of membership or on receipt of examination application form whichever is earlier.
- 3) The Examination Admit Card alongwith the Permanent Membership Identity Card should be produced to the Examination Authority each time in the examination venue for identification.
- 4) In absence of the Admit Card / hall ticket and Permanent Membership Identity Card, the candidate is liable to be denied permission in the examination venue.

Examination schedule is given in the examination form and at our website www.iibf.org.in

2.13 CONDUCT AND DISCIPLINE IN THE EXAMINATION HALL

1. No candidate shall be permitted to enter the examination hall after the expiry of 15 minutes from the commencement of the examination and no candidate shall be permitted to leave the hall before the expiry of one hour from the commencement of the examination. Candidates should be present at the examination venue at least 15 minutes before the commencement of the examination.
2. Candidates should ensure that he / she signs the Attendance Sheet.
3. Candidates should not possess and / or use books, notes, periodicals etc. in the examination hall at the time of the examination /or use mathematical tables, slide rules, stencils etc. during the examination except for the examination for which such use is expressly permitted. A candidate found in possession of such unauthorised material during the examination is liable to be proceeded against for adoption of unfair means in the examination in addition to reporting the matter to his/her employers for disciplinary proceedings for the misconduct. They should hand them over to the Hall Superintendent before the commencement of the examination. Candidates will be permitted to use calculators while appearing for the Associate Examination subject to the following:

Calculators should :

- a) be of pocket size and fully portable
- b) be silent while in operation
- c) be battery operated
- d) not be capable of being programmed by the insertion of tapes or otherwise
- e) not have print out facilities
- f) be of the type upto 6 functions and 12 digits
- g) not be capable of retaining / storing data in memory when the same is switched off

Calculators which do not comply with the above conditions and found in possession of candidate during the examination will be confiscated by Examination Supervisors and returned to the candidate at the end of the examination. In case a candidate is found using the calculator not complying with the above conditions in the course of the examination, it will amount to adoption of unfair practice at the examination by the candidate concerned and the Institute shall take such action against the candidate as may be deemed appropriate.

4. Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
5. Copying answers from answer books of other candidates or permitting others to copy from one's answer book will attract the rules relating to unfair practices in the examination.
6. No candidate should leave the examination hall without handing over answer book to the Hall Supervisor / Invigilator. Once the answer book is handed over to the Supervisor / Invigilator, the same will not be given back to the candidate for any reason.
7. No candidate shall impersonate others or allow others to impersonate himself at the examination.
8. **Candidates are not permitted to carry mobile phone in the examination hall.**

If any candidate violates any of the above rules, it will be considered to be an act of misconduct and he / she will be liable for punishment mentioned below.

2.14 PENALTIES FOR MISCONDUCT / UNFAIR PRACTICES

The Institute shall have the right to impose penalties on any member for committing an act of misconduct / unfair practice in respect of any matter affecting the Institute or at or in respect of any examination conducted by the Institute or disqualifying any candidate who, they have reason to believe has received or given unfair assistance at the examination and

- a) to cancel the result of such candidate in all or any of the subjects of the examination at which he / she may have appeared;
- b) to exclude him / her from future examinations either permanently or for a specified number of examinations;
- c) to report his / her name to his / her employer and
- d) to take such other action against him / her as the Institute shall in their sole discretion deem fit and the decision of the Institute shall be final and binding on the candidate concerned.

The Institute shall also have right to cancel results of any subsequent examination at which the candidate may have appeared if such examination falls within the exclusion period in the penalty, as by reason of imposition of such a penalty of exclusion from the future examination, the candidate would not have been eligible to appear at such subsequent examinations.

In case any member including former member, desires to institute any legal proceedings against the Institute in respect of anything done or proposed to be done by the Institute in relation to him / her, such legal proceedings shall be instituted **only in courts at Chennai, Kolkata, New Delhi and Mumbai in whose jurisdiction the application is submitted by him / her and not in any other court.**

2.15 PASSING CRITERIA

- a) Pass : Minimum marks for pass in any subject - 50.
- b) **Candidate securing atleast 45 marks in each subject with an aggregate of 50% marks in all subjects of JAIIB / CAIIB in a single attempt would also be declared as having completed JAIIB / CAIIB Examination as the case may be. This benefit will not be available to candidates availing the facility of credit transfer as they would not be passing the examination in single attempt.**
- c) First Class : 60% or more marks in aggregate and pass in all the subjects in the first attempt.
- d) First Class with Distinction : 75% or more marks in any individual subject and 60% or more marks in the aggregate and pass in all subjects in the first attempt.
- e) First Class / First Class with Distinction will not be applicable to candidates availing the facility of credit transfer as they would not be passing the examination in first attempt.
- f) Candidates will be allowed to retain credits for the subject they have passed in one attempt till the expiry of the time limit.

2.16 DECLARATION OF RESULTS

Provisional score card will be given to candidates after online examination. The final results of the examination along with the marks secured for each subject of the examination will be communicated to candidates by letter two months after the closure of the examination.

2.17 FACILITY FOR VERIFICATION OF MARKS

No verification of marks will be done for on - line examination as evaluation is computerized.

In case of off - line examination, however, if any candidate requires his / her marks to be verified, he / she may request the Chief Executive Officer accordingly. Such verification will cover whether all answers have been valued.

The request for verification of marks must be received in the Institute's Zonal office within one month from the date of the declaration of the examination results. The candidate will have to pay a sum of Rs.150/-per subject. The payment should be made by means of crossed Demand Draft drawn in favour of "Indian Institute of Banking & Finance" and made payable at the place of the Zonal Office. The candidate should write his / her membership number on the back side of the draft.

2.18 ISSUE OF CERTIFICATES

Candidates who complete JAIIB / CAIIB will receive a Certificate within six months after the Examination.

3. EDUCATIONAL SUPPORT

3.1 TUTORIAL / CONTACT PROGRAMMES

Tutorial / Contact programmes will be organised by the Institute / accredited institutions. For further details candidates may get in touch with Zonal Office or log on to the Institute's web site "www.iibf.org.in."

3.2 BANK QUEST

The Institute publishes quarterly journal **Bank Quest**, covering various aspects of banking and allied subjects. This is a priced publication and the annual subscription for the same is Rs.140/- (for four issues) for the present.

3.3 IIB VISION

The Institute also publishes a monthly newsletter titled as "IIB VISION" covering news on latest developments in banking and finance. This is sent to all regular members free of cost.

3.4 E-NEWSLETTER : FIN@QUEST

The Institute publishes a daily e-newsletter through its portal, covering various aspects of banking and finance and its subscription rate is Rs. 500/- per annum. This newsletter will be supplied to the email address of the subscriber on daily basis.

3.5 STUDY MATERIAL

The Institute has published its study materials through leading publishers like M/s Macmillan and M/s Taxmann. Books were earlier supplied to

candidates by the Institute through its Zonal Offices. Candidates are hereby informed that study materials for JAIIB / CAIIB (English/Hindi Medium) henceforth may be purchased directly from publishers. English Medium books will be available with M/s Macmillan outlets / showrooms / distributors throughout the country and Hindi Medium books at outlets of M/s Taxmann. (Detailed list of outlets of Macmillan and Taxmann and the cost price of each book is given overleaf). Candidates who purchase books directly from outlets of publishers will be offered a discount of 20% on the cost price of the book. Candidates desirous of purchasing books by post will not be offered any discount. However the postage will be borne by publishers. Candidates would be required to send their indent to publishers' outlet alongwith a Demand Draft for the cost of books as mentioned overleaf. The Demand Draft should be drawn in favour of M/s Macmillan India Ltd. / M/s Taxmann Publications Pvt. Ltd., as the case may be. **(No cheques will be accepted).**

Candidates are requested not to send any request for the purchase of books for JAIIB / CAIIB to the Institute's Zonal Offices / Corporate Office.

**PRICE LIST OF THE STUDY MATERIAL FOR
JAIIB / CAIIB**

ENGLISH MEDIUM

JAIIB

Name of the Book	Price
Principles of Banking	Rs. 240.00
Accounting & Finance for Bankers	Rs. 260.00
Legal Aspects of Banking	Rs. 275.00

CAIIB

Name of the Book	Price
Risk Management	Rs. 195.00
Financial Management	Rs. 225.00
General Bank Management	Rs. 340.00

HINDI MEDIUM

JAIIB

Name of the Book	Price
Principles of Banking	Rs. 285.00
Accounting & Finance for Bankers	Rs. 290.00
Legal Aspects of Banking	Rs. 300.00

CAIIB

Name of the Book	Price
Risk Management	Rs. 200.00
Financial Management	Rs. 235.00
General Bank Management	Rs. 400.00

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Sector 35 C, Chandigarh - 160 022
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e-mail : milcal@macmilan.co.in

Cuttack : Maitree Vihar,
Link Road, Cuttack - 753 012
Ph : (0671) 2311979 / 2331979,
e-mail : milcut@macmillan.co.in

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Pan Bazar, Guwahati -781 001
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e-mail : milguw@macmillan.co.in

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e-mail : macray@bom3.vsnl.net.in

Bhopal : 76 Malviya Nagar,
T T Nagar, Bhopal - 462 003
Ph : (0755) 2553895,
e-mail : milbho@macmillan.co.in

Nagpur : House No. 158, 1st Floor,
Near Kasturba Library,
Sadar Extension Area,
Nagpur-440 001, Ph : (0712) 2531241
e-mail : macmillanngp@eth.net

Pune : 8 Shreenand Apartments,
2030 Sadashiv Peth, Tilak Road,
Pune - 411 030
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24329875
e-mail : macpune@pn2.vsnl.net.in

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Coimbatore : 136 Sarojini Street,
Ram Nagar,
Coimbatore - 641 009
Ph : (0422) 2230940 / 2237805
e-mail : milcbe@macmillan.co.in

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Hubli - 580 023, Ph : (0836) 361944
e-mail : milhub@macmillan.co.in

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e-mail : milhyd@macmillan.co.in

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Opp. Edward Cinema
Mumbai - 400 002
Tel : 22050510, 22080668

Book Corporation
4 R.N. Mukherjee Road
Kolkata - 700 001
Tel : 22101089, 22206669,
31000405

Student Agencies (I) Pvt. Ltd.
102, Konark Shram
Behind Everest Building
156, Tardeo Road
Mumbai - 400 034
Tel : 23513334-37

Law Point
6C, R. N. Mukherjee Road
Opp. Birla Building
Stephen House
Kolkata - 700 011
Tel : 22101821

Book Corporation
108, Nandan Complex,
Near Mithkhali Rly. Crossing
Mithakhali,
Ahmedabad - 380 006
Tel : 6465385

Modern Law House
1/1, A.D.A. Flat
(Near Bishop Johnson School)
M.G. Marg, Allahabad - 211 001
Tel : 2560700, 2560616

Standard Book Distributors
104, Labh Complex
12-B, Sattar Taluka Society
Opp. Old High Court Road
Ahmedabad - 380 014
Tel : 7540731, 7540732

Commercial Law House
149, Rajendra Market
Opp. Tis Hazari Court
Delhi - 110 054
Tel : 23947862, 23947863

Asia Law House
Opp. High Court
Hyderabad - 500 002
Tel : 24566212, 24520276

C. Sitaraman & Co.
37, Royapettah High Road,
Chennai - 600 014
Tel : 28111516, 28117069,
28113950

Krishna Law House
35-36 Gokhale Market
Opp. Tis Hazari Court
Delhi - 110 054
Tel : 23969866, 23919317

Puliani & Puliani
Ground Floor, Sujata Complex
1st Cross Gandhinagar,
Bangalore - 560 009
Tel : 2265500, 2254052

Arora Law Agency
Shivala Road, Hussainpura
Amritsar - 143 001
Tel : 2584548

5. SYLLABUS FOR ASSOCIATE EXAMINATION

JAIIB

Subjects

- 1) Principles of Banking
- 2) Accounting & Finance for Bankers
- 3) Legal Aspects of Banking

Objective : To provide basic knowledge in Banking and Financial Systems and to help students in developing an extensive understanding of all aspects of banking.

Level : At par with Graduation from any University in India.

Question pattern : Objective type

Eligibility : Members of the Institute

PAPER 1 - PRINCIPLES OF BANKING

Candidates would be able to acquire an in-depth knowledge of

- the legal and regulatory framework of the banking system.
- the principles and importance of credit, documentation, monitoring and control.
- a broad understanding of other functions associated with banking.
- An insight into marketing of banking services and banking technology.

Module A - Indian Financial System

Introduction to financial system : ; evolution of financial systems; recent developments in the INDIAN financial system; market structure and financial innovation. Role and Functions of banks - Regulatory provisions / enactments governing banks - RBI Major functions

Retail banking : wholesale and international banking : the nature of wholesale banking; off-balance sheet business; international banking Financial Services Role and functions of Capital markets -Regulation thereof / Role and Functions of Mutual Funds - SEBI, AMFI etc / Role and functions of Insurance Companies - IRDA Bancassurance, Factoring, Securitisation etc.

Module B - Functions of banks

Deposits :

Banker - Customer relations - Know your Customer[KYC] - Different deposit products - services rendered by banks - Mandate and Power of attorney; Banker's lien-Right of set off - Garnishee Order - Income Tax Attachment Order etc.

Payment and collection of Cheque - duties and responsibilities of paying and collecting banker-protection available to paying and collecting bankers under NI Act-endorsements-forged instruments-bouncing of cheques and their implications.

Opening of accounts for various types of customers - minors - joint account holders - HUF - firms - companies - trusts - societies - Govt. and public bodies

Credit :

Principles of lending - various credit facilities - working capital and term loans - Credit Appraisal Techniques - Approach to lending; - credit management - credit monitoring - NPA - Recommendations of various Committees in the area of Credit - Different types of documents; Documentation Procedures; Stamping of documents.

Priority Sector Lending - sectors - targets - issues / problems - current guidelines - Bank's performance - recent developments New Products & Services - Securitisation, Bancassurance, Mutual Funds etc.

Module C - Banking Technology

Different approaches to bank mechanisation - Core Banking Solutions - Stand alone computer systems - Wide area and local area networks - local processing and batch concepts; on - line systems - Mini computers and main frame networking systems.

Electronic Payment systems - Teller Machines at the Bank Counters - Cash dispensers - ATMs - Anywhere Anytime Banking - Home banking (Corporate and personal) - Online enquiry and update facilities - Personal identification numbers and their use in conjunction with magnetic cards of both credit and debit cards, smart cards, signature storage and display by electronic means, cheque truncation, microfiche, note and coin counting devices.

Electronic funds transfer systems - plain messages (Telex or data communication) - structured messages (SWIFT, etc.) - RTGS

Information Technology -Current trends - Banknet, RBI net, Datanet, Nicnet, I-net, Internet, E-mail, etc. Role and uses of technology upgradation -Global developments in Banking Technology - Information Technology in finance and service delivery. Impact of Technology on Banks - Protecting the confidentiality and secrecy of data-effect on customers and service quality -Audit trails-Rangarajan, Saraf and Shere Committee Recommendations.

Module D - Support Services - Marketing of Banking Services

MARKETING OF BANKING SERVICES

- Marketing Management - Meaning, importance and functions - Marketing of Services.
- Production Planning - Product Research & Development - Test marketing -Product Life Cycle-Product modification - New product development -elimination - Packaging and Branding - Diversification.
- Pricing - Objectives, Strategies and Methods - Factors Influencing the Pricing Decisions, Importance of Pricing.
- Distribution - Factors influencing - Direct and Indirect Channels Physical Distribution - Channel Functions and Services.
- Promotion - Promotion Mix and Role of Promotion in Marketing - Marketing Information Systems.

PAPER 2 - ACCOUNTING & FINANCE FOR BANKERS

Objective :

To introduce the candidates to Basics of Financial Mathematics and Basics of Accountancy and develop an understanding in the basic financial concepts.

Module A - Basics of Business Mathematics

- Calculation of simple Interest - Bank Discount -Compound Interest - Ordinary Annuities - Other Annuities - Amortization and Sinking Funds.
- Bonds - Calculation of YTM - Duration - Bond Pricing - Premium and Discount.

- Capital Budgeting - Discounted cash flow - net present value - pay back methods
- Depreciation - different types - methods of calculation

Module B

- Definition and scope and Accounting Standards. Nature and purpose of accounting; historical perspectives - Origins of accounting principles - accounting standards and its definition and Scope.
- Basic Accountancy Procedures Concepts of accountancy -entity going concern - double entry systems, Principles of conservatism -revenue recognition and realization - accrual and cash basis.
- Maintenance of Cash / Subsidiary books and Ledger
Record keeping basics - account categories - debit and credit concepts -account and columnar accounting mechanics - journalizing - writing cash books

Module C

- Bank reconciliation statement - Trial Balance - Adjustment and closing entries.
- Capital & Revenue Expenditure / Depreciation / Inventory Valuation / Bill of Exchange / Consignment / Joint Venture
- Special accounts - Leasing and Hire - Purchase Company accounts - Accounts of Non-Trading Concerns - Receipts and Payments.

Module D

Balance Sheet Structure-accounts - categories - Assets, Liabilities and Net Worth Components / Partnership accounts - partner's fixed capital accounts - Current accounts - loan accounts - treatment of intangibles like goodwill - admission / retirement / death of partner-sleeping / quasi and Limited partnership / Company accounts-Partnership vs. Limited Liability Company accounts-classes of Share Capital - issue / forfeiture of Shares - non-voting shares - issue of Bonus Shares.

Preparation of Final Accounts - Final Accounts of Banking Companies.

Accounting in a computerised environment - methods - procedures - security -rectification

PAPER 3 - LEGAL ASPECTS OF BANKING OPERATIONS

Objectives :

The candidates would be able to acquire knowledge in

- the legal & regulatory framework of the banking system
- various laws and enactments affecting day to day banking operations

1. Module A : Regulations and Compliance :

The questions in this section will be with reference to legal issues and problems

- A. Provisions of RBI Act 1935, Banking Regulation Act 1949 Banking Companies (Acquisition and transfer of undertakings Act 1970 & 1980).
- B. Government and RBI's powers
 - Opening of new banks and branch licensing
 - Constitution of board of directors and their rights
 - Banks share holders and their rights
 - CRR / SLR concepts
 - Cash / currency management
 - winding up - amalgamation and mergers
 - powers to control advances - selective credit control - monetary and credit policy
 - Audit and Inspection
 - supervision and control - board for financial supervision - its scope and role
 - disclosure of accounts and balance sheets
 - submission of returns to RBI etc

2. Module B : Legal aspects of banking operations

Case laws on responsibility of paying / collecting banker Indemnities / guarantees-scope and application - obligations of a banker - pre cautions and rights - laws relating to bill finance, LC and Deferred Payment Guarantees - Laws relating to securities - valuation of securities - modes of charging securities - lien, pledge, mortgage, hypothecation etc - registration of firms / companies - creation of charge and satisfaction of charge

3. Module C : Banking related laws

Provisions of Bankers Book Evidence Act

Special features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 The Consumer Protection Act, 1986 Definition, Consumer Protection Councils

Chapter II (Sections 4-8) Consumer Disputes Redressal Agencies (Sections 9-15) District Forums, State Commission and National Commission, their powers etc

Banking Ombudsman

4. Module D : Commercial Laws with reference to banking operations

Indian Contract Act, 1872 Chapters VII, IX and X : (Indemnity, Guarantee, Bailment, Pledge and Agency)

The sale of Goods Act, 1930 (Sale and Agreement to Sell, Definitions, Conditions and Warranties, Express and Implied, Rights of unpaid seller)

The Companies Act, 1956 Definition, features of company, Types of Companies, Memorandum, Articles of Association, Doctrines of Ultravires, Indoor Management and Constructive Notice, membership of company - acquisition - cessation, rights and duties of members and register of members. Prospectus and directors.

Indian Partnership Act, 1932 Definition and types of partnership, relation of partners to one another - Relation of partners to third parties (Section 18 to 29) Minor admitted to the benefits of Partnership (Section 30) Dissolution of firm (Section 39 to 45) Effect of non - registration (Section 69) Transfer of Property Act FEMA 2000.

CAIIB

Subjects

1. Risk Management
2. Financial Management
3. General Bank Management

Objective : To provide advanced knowledge in banking and financial systems for better decision - making.

Level : At par with Post - Graduation from any University in India.

Question Pattern : Objective type.

Eligibility : 1. Members of the Institute.
2. Pass in JAIIB.

PAPER 1 - RISK MANAGEMENT

Objectives

The candidates would be able

1. to acquire a basic knowledge of various aspects of risk management
2. to understand different dimensions of risk and its impact

Module A : Asset Liability Management

Banks Balance Sheet - components of assets/ liabilities and their management

Liquidity Management - definition - dimensions of liquidity management - role of liquidity risk management in asset liability management - measurement of liquidity through ratio analysis

Interest Rate Management - factors affecting interest rates - management of Interest Rate Risk

Management of exchange risk - identification, measurement etc :

ALM Implementation - RBI Guidelines

Module B : Risk Management

Market Risk Measurement and Management

Value at Risk : definition, measurement, limitations and alternative risk measures, e.g., conditional value at risk - stress testing - back testing

Credit Risk Measurement and Management

Credit risk terminology - credit ratings - default probabilities - credit spreads - credit migration, transition matrices and credit metrics - counterpart risks : exposures, recovery rates, risk mitigation techniques including rating triggers, collateral clauses - credit derivatives

Operational & Integrated Risk Management**Module C : Treasury Management :**

Treasury management; concepts and functions; instruments in the treasury market; development of new financial products; control and supervision of treasury management; linkage of domestic operations with foreign operations

Asset - liability management; interest rate risk; interest rate futures;

Stock options; debt instruments; bond portfolio strategy; risk control and hedging instruments

Investments - treasury bills - money market instruments such as CDs, CPs, IBPs; Securitisation and Forfaiting; Refinance and Rediscounting facilities

Module D : Capital Management and Profit Planning

Prudential Norms - Capital Adequacy - Basel II - Asset Classification - Provisioning

Profit and Profitability - Historical Perspective of the approach of Banks to profitability - Effects of NPA on profitability - A profitability Model - Share holders value maximization on Economic Value Added (EVA) - Profit Planning - measures to improve profitability

PAPER 2 - FINANCIAL MANAGEMENT :

Objectives :

The students would be able to acquire in depth knowledge of :

- (a) Principles of financial management and quantitative techniques.
- (b) Techniques of analysis and interpretation of financial statements.

Module A : Quantitative Techniques and Financial Mathematics.

Concept of time value of money - Net Present Value - Discounted Cash Flow - Sampling methods - Presentation of data - Analysis and Interpretation of sample data - Hypothesis testing

Time series analysis - Mean - Standard Deviation - Co relation - Regression
- Covariance and Volatility

Probability Distribution - confidence interval analysis - estimating parameters
of distribution

Bond Valuation - Duration - Modified Duration

Linear programming - Decision Making - Simulation

Statistical analysis using spreadsheets

Module B : Study of Financial Statements.

Scope functions and objectives.

Capital Expenditure, Decision on capital Investments and profitability Study

Sources of finance and cost of capital - Long term and Short term.

Study of Financial Statements - Relationship between items in Balance
Sheet and Profit and Loss Account. Trend Analysis, Comparative Statement
- Common size Statement - Preparations of projected Financial Statements.

Module C : Ratio Analysis

Ratio analysis - Balance Sheet Ratios. Current Ratio - Liquid Ratio -
Proprietary Ratio - Debt Equity Ratio - Stock Working Capital Ratio -
Gross Profit Ratio - Operating Ratio - Expenses Ratio - Stock Turnover -
Ratio Composite Ratios - Return on Capital Employed - Return on
Proprietor's Funds - Return on Equity Capital - Return on Capital Employed
- Turnover of debtors - Debt Service Coverage Ratio.

Statement of Sources and Applications of Funds. Interpretation and analysis
of different ratios, Limitation of the use of ratios.

Module D : Working Capital and Term Lending.

Working Capital - concept and management - appraisal techniques - trade
cycle - credit rating

Marginal Costing - Break Even Analysis

Capital Budgeting - net present value - discounted cash flow etc

Cash Budget - profit planning - Risk based pricing of products

PAPER 3 - GENERAL BANK MANAGEMENT

Objectives

The candidates will be able to develop knowledge and understanding of
a range of areas such as, International Banking, HRM, Marketing, Banking
Technology related subjects specific to their career needs and to develop
skill and competences to successfully manage the diverse range of situations
which occur in a dynamic banking environment

Module A : International Banking

Factors determining exchange rates - national / international, political and
economic - direct and indirect quotations - spot rates, forward rates premium
and discount and cross rates.

Basics of Derivatives - forward exchange rates, contracts, currency options,
Swaps and Interest Rate Swaps. Major recommendations of the various
Expert Groups on Forex Markets.

Documentary Letters of Credit - UCPDC 500)

Various facilities to exporters and importers including Forfeiting and
Factoring.

Correspondent Banking -Bank accounts - NOSTRO and VOSTRO
accounts SWIFT, CHIPS, CHAPS, FEDWIRE.

NRI accounts - Indian rupee and foreign currency accounts.

Role of Exim Bank - Role of RBI and Exchange Control Regulations of
India, Role of FEDAI and FEDAI rules, Risk in Foreign Trade, Role of
ECGC, Types of insurance and guarantee covers of ECGC.

Module B : Human Resources Management

Fundamentals of Human Resources Management; relationship between
HRM and HRD; structure and functions; role of the HRD professional;
development of HRM in India.

HRM and information technology; Information and database management;
HR research; Knowledge Management -

Development of Human resources; HRD sub systems; Training and
Development; attitude development; role and impact of training; career
path planning and counselling; .

Human implications of organisations; learning and instruction; employee behaviour; diversity and gender issues; theories of Motivation and their practical implications; Role concepts and analysis.

Self development; personnel research and survey; employee feedback survey; Reward and compensation system.

Performance Management and Appraisal Systems; Performance Review and Counselling - HRM issues in banks

Module C : Technology Management

RTGS - Infrastructure requirement - RTGS transactions - security features

SFMS - formats of SFMs - SFMS transactions - security aspects

RAS - requirements for RAS - Application - Security feature of RAS

Digital Certificate - what is PKI,CCA,CA,RA - Types of digital certificate - application of digital certificate - legal status

IT Act - electronic records - digital signature - application of electronic transactions

Cyber Law - its application - e commerce

IP Addressing - IP Addresses - Subnet mask

Core Banking - concept - benefits - branch coverage - schedules - creation of primary data centre - disaster recovery site - formation of steering committee - core committee - primary functions - formation of project management teams - implementation team - specialised consultancy - infrastructure - software - hardware - networking

Operating System - data base management - information system audit

Module D : Marketing Management

Introduction to Marketing management and key concepts - strategic marketing process - situation analysis - market segmentation - marketing information and research - marketing mix - competition analysis - product strategy - product life cycle - product mix - branding - pricing strategy - pricing decisions - distribution strategy - channels of distribution - their functions - ATM - telebanking - direct marketing - promotion strategy - Advertising and sales promotion - communication - publicity - public relations-selling - HRD and marketing

RECOMMENDED READING

“The Institute has prepared comprehensive study material in the form of kits modelled on IGNOU pattern to facilitate preparation for the examination without intervention of teacher. An attempt has been made to cover fully in the write - ups the syllabus prescribed for each subject / paper. The presentation of topics in the self study material may not always be in the same sequence as given in the syllabus. The course materials will be available at M/s Macmillan Ltd (**English Medium**) & M/s Taxmann Ltd (**Hindi Medium**) outlets. Candidates are also expected to take note of all the latest developments relating to the subjects covered in the syllabus by referring to Economic Journals, Financial Papers, latest books and publications on the subjects concerned.”

6. LIST OF OFFICES OF THE INSTITUTE

: Corporate Office :

Director of Examinations
 Indian Institute of Banking & Finance
 The “Arcade”, World Trade Centre, 2nd Flr,
 East Wing, Cuffe Parade
Mumbai - 400 005

Tel : 2218 7003 / 4 / 5 • Fax : 022-2218 5147 / 2215 5093

E-mail : iibgen@bom5.vsnl.net.in

Northern Zonal Office :

Indian Institute of Banking & Finance
 11th Floor, Atmaram House,
 1, Tolstoy Marg,

New Delhi - 110 001

Tel : 011-2335 4316 / 2335 4921

Fax : 011- 2335 1165

E-mail : iibnz@iibf.org.in

Western Zonal Office :

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 Cuffe Parade, Colaba

Mumbai - 400 005

Tel : 022-2218 3302 / 2218 5134

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Eastern Zonal Office :

Indian Institute of Banking & Finance
 ‘Anandlok’, 3rd Floor,
 227, Acharya J. C. Bose Road,

Kolkata - 700 020

Tel : 033-2280 9681 / 82 / 83,

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Indian Institute of Banking & Finance
 76, Arya Gowda Road,
 West Mambalam,

Chennai - 600 033

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