

Contents

MODULE I : EVOLUTION OF BANKING

UNIT- 1 Evolution of Bank and Banking Systems

- Ancient Banking
- Pre-historic Age
- Barter system
- Bronze – Age
- The money needs banks
- The first bank in the world- Piggy Bank
- Use of Temples and Churches
- Banking credits
- Hammurabi’s Code
- Use of coins as money
- Money changers
- Oldest Banks
- Evolution of banking in India
- Role of printing technology
- Earlier banks of India
- Presidency Banks
- Imperial Bank of India

UNIT-2 TOWARDS RBI

- Towards establishment of RBI
- Legislative debate on requirement of a Central (RBI) for India
- Legislative debate for RBI Act
- Agreement of RBI ACT
- Growth of Banking in Independent India
- Establishment of SBI
- Reforms in banking sector
- Nationalisation of Banks

UNIT -3 TYPES OF BANKS

- Types of Banks – Central Bank and Commercial Banks
- Commercial Banks, Nationalised Banks, Private sector Banks, Foreign Banks, Special Banks.
- Industrial Development Bank of India (IDBI)
- Housing Finance Bank (NHB)

- Exim Bank
- Rural Credit Bank
- Institutional Banks
- NABARD (National Bank for Agriculture and Rural Development)
- SIDBI (Small Industries Development Bank of India)
- IRBI (IIBI) (Industrial Reconstruction Bank of India—IRBI) (Industrial Investment Bank of India –IIBI)
- State Financial Corporations (SFCs)
- IFCI –Industrial Finance Corporation of India

UNIT-4 CO-OPERATIVE BANKS, REGIONAL RURAL BANKS AND LOCAL AREA BANKS

- Co-Operative Banks
- What is Co-operative bank
- Role and Functions of Co-operative Banks
- Type of co-operative Banks, Primary Co-operative Societies, Central Co-operative Banks, State Co-operative Banks
- Local Area Banks
- Regional Rural Banks, Objectives, Area of functioning, Sponsorship of RRBs, Functions of RRBs.

UNIT-5 BANKING BUSINESS AND ROLES

- What is Banking Company & brief description of services
- Forms of business in which Banking companies may engage
- Role of Banks – Resource of Funds, Help to Industries, Trade, Agriculture and general public
- Financial Intermediation by Banks
- Trust, Liquidity, Safety, Secrecy etc.
- Credit Reference Agencies
- Service Quality
- Customer Service Department of RBI
- Liquidity.

UNIT-6 PRACTICAL BANKING SERVICES

- Banking Services (AS PER PRACTICE.)
- What is a Bank
- What is Reserve Bank of India
- Basic functions of RBI
- Related Functions of RBI
- Bank Services
- Types of accounts
- Account Holder
- Customers
- Different kind of customers
- Customers- Literate, Illiterate, Blind, Minor, Guardianship of minor customers, Legal Guardians, Testamentary Guardians.
- Nature of Bank Accounts

- Loan Accounts
- Operation of Banking transactions/accounts
- Opening of Account
- How to open an account with a Bank
- What is KYC Norms
- Requirement of Introduction
- Customers Acceptance Policy of Banks.

MODULE 2 : EVOLUTION OF BANKING

UNIT-7 PAYMENT AND REMITTANCE SERVICES

- Payments and Remittance Services
- Traditional Payment and settlement systems in India.
- Electronics based payment systems
- Retail Payment systems
- Electronic retail payment systems - NEFT . ECS
- Card based payment systems
- RTGS(Real Time Gross Settlement system
- High Value Clearing System
- What is NEFT
- What is RTGS
- What is IFSC CODE
- Importance of Cheques
- Parties to a Cheque
- Format of a Cheque
- How to use a cheque
- What is MICR
- Crossing of a cheque
- How to write a cheque.
- Cheque Collection
- Instant credit of cheques
- Cheques payable in foreign countries
- Functioning of Clearing House
- Cheque TRUNKATION

UNIT-8 BANKING CHANNELS

- Banking Channels- Branch banking,
- Extension Counters
- Mobile Banking
- ATM Channels
- Types of ATMs
- Objectives of ATMs
- Definition of ATM
- Who is inventor of ATM
- ATM Users Precautions
- Mobile Banking, Phone Banking, Tele Banking

- PC Banking, Home Banking, Self Service Banking
- Internet Banking, Online Banking, , E-Banking, ,Safety Measures of Internet Banking, Gudilines of RBI on Internet Banking, Technology and security standards, Legal Issues, Regulatory and supervisory Issues.

MOUDLE-3 : BANKING REGULATIONS

UNIT-9 BANKING REGULATIONS

- Background
- Legislations and Policies
- Banking Regulation Act, 1949(Important sections)
- RBI Act (important sections)
- Banks and Financial system
- Legal Frame Work—Acts governing specific functions, Acts governing Banking Operations, Acts governing Individual Institutions.
- Brief description of different Acts relating to Banking:
 1. Banking Companies(Acquisition and Transfer of Undertakings)Act, 1970 and Act 1980
 2. Companies Act, 1956
 3. Co-Operative Societies Act 1972 and Relevant State Co- Operative societies Acts
 4. Regional Rural Banks Act 1976
 5. State Bank of India Act, 1955
 6. SBI (Subsidiary Banks) Act 1959,
 7. Banking Regulation Act, 1949
 8. Financial System Of India
- Powers and Responsibility of RBI in respect of regulations of Banks.
- Business of Banking Companies
- Licensing
- Opening of Branches of Banks
- Licenses to Private Sector Banks
- Requirement of Paid up Capital
- Licensing of Foreign Banks
- Opening of Branches by Foreign Banks
- Capital Requirement
Capital, Authorised Capital, Circulating Capital, Fixed Capital, Loading Capital, Free Capital, Issued Capital, Liquid Capital, Paid up Capital, Share Capital, Subscribed Capital, Working Capital.
- Capital Adequacy
- Basel Committee
- Basel- I
- Basel -II
- Affect of Basel -II on banking companies
- Basel III
- The Banker's Books Evidence Act, 1891

- The Public Financial Institutions(Obligation as to Fidelity and Secrecy) Act, 1983.
- Negotiable Instrument Act, 1881
- Information Technology Act, 2000
- Amendments to the Banker's Books Evidence Act,
- Amendments to RBI Act, 1934
- The Negotiable Instruments(Amendment and Miscellaneous Provisions) Act, 2002
- Government of India
- Prevention of Money Laundering Act, 2002
- Banking Ombudsman Scheme
- SEBI (Security Exchange Board of India
- Amendments to SEBI Act

UNIT-10 INSURANCE MANAGEMENT

- Insurance concept
Credit Insurance, Group Insurance, Life Insurance, Marine Insurance, Fire Insurance, Insurance Agent, Insurance Policy, Policy Holder, Cover Note, Insurance Premium
- Evolution of Insurance Sector
- Earlier days Insurance
- Logo of Life Insurance Corporation of India
- First Insurance Company
- Indian Insurance Companies
- Insurance Regulations
- Nationalisation of Life Insurance Company
- Evolution of LIC –Important dates
- The General Insurance Business
- Nationalisation of General Insurance Corporation
- IRDA – Insurance Regulatory and Development Act 1999.—Expectations, Duties, Powers and Functions of IRDA
- Regulatory Authorities – (TAC) Tariff Advisory Committee, Insurance Association of India, Life Insurance Council
- Insurance Ombudsman
- Amendments in General Insurance and Insurance Act,1938
- Amendments to IRDA, Definitions, Point of Sale, Proposal for Insurance, Grievance redressal procedure, Matters to be stated in Insurance Policy, Matters to be stated in General Insurance Policy, Claim Procedures in respect of Life Insurance Policy, Claim procedures in respect of General Insurance Policy, Policy holder's serving and General matters.
- Understanding Insurance
- What does Insurance Companies do -?
- How Insurance works
- Need of Insurance
- Functions of Insurance, Primary Functions and Secondary Functions

- Subrogation
- Nature of Insurance
- Classification of Insurance – Life Insurance, Traditional Policies, ULIPS, Types of Insurance Policies, Term Plan, Health Insurance, Endowment Plans, Whole Life Insurance Plans, Group Insurance, Retirement Plans, Children Plans, Wealth Plans
- Classification of General Insurance- Comprehensive Insurance, Third Party Insurance
- General Insurance Council of India.
- Insurance History and Players.
- Re-Insurance/Double Insurance
- Types of Re- Insurance
- Duplicate Insurance
- Co-Insurance
- Life Expectancy and Actuaries
- What is Actuary
- Requirement of Actuary for General Insurance
- Risk Management in Insurance
- Transfer of Risk
- Why the Risk is transferred
- Risk Retention
- Types of Risk Retention
- Risk Sharing
- Insurance Act 1938
- Re-Insurance Important amendments in the Act.
- Requirement of Capital
- Requirements as to Capital and Voting rights.
- Over Insurance and Under Insurance.

MODULE- IV : BANKS PORTFOLIO MANAGERMENTS

UNIT-11 PORTFOLIO MANAGEMENT : MONEY MARKET & CAPITAL MARKET

- Money Market
- Benefits of Money Market
- Why the need of Money Market
- Types of Money Market, Call money, Notice money, Term money, Treasury Bills, Repo and Reverse Repo, Commercial Paper, Certificate of Deposits, Bills Rediscounting, Banker's Acceptance Inter-Corporate Deposits, CBLO (Collateralised Borrowing and Lending Obligation)
- Capital Market
- Stock and Equity Market
- Commodity Markets
- Futures Contracts
- Background of Commodity Market
- Derivates Market

- Types of Derivates
- Foreign Exchange Market
- OPTIONS
- SWAPS
- Debt Market
- Debt Instruments
- Government Securities
- Securities issued by Public and Private Sectors
- Primary Market
- Secondary Market
- Definition of Secondary Market as per SEBI
- Instruments/Products of Secondary Market.
- Features of Secondary Market
- Difference between Primary and Secondary Market
- Full Convertibility on Capital Account
- Bank Portfolio Management
- Ceiling on Bank's Exposure to Capital Market.
- Liquidity/Cash/Asset Management in Banks
- Principles of liquidity management
- Asset/Liquidity Management – Liquidity Risk, Credit Risk, Interest Rate Risk Mismatch Risk , ALM – Tools of ALM.

UNIT-12 CREDIT MANAGEMENT

- Credit Management in Banks
- Loan Products, Over Draft, Demand Loan, Term Loan, Cash Credit, Bill Finance, Packing Credit, Inland Letters of Credit, Guarantees.
- Regulations related to Loans and Advances
- Credit Exposure Limits
- Directed Lending
- Common Guidelines for financing Priority Sector Loans
- Small Scale Industries
- MICRO, Small and Medium Enterprises Development Act, 2006
- Government sponsored Schemes, DRI, SLRS, PMRY, SISRY, SGSY, Self Help Group.
- Risk Rating – lending on basis of risk rating, Measuring risk of loans/advances
- Capturing Early Warnings- PMS (Preventing Monitoring System)
- Asset Classification and Provisioning
- Non-Performing Assets (NPAs)
- Asset Classification- Standard Assets, Sub-Standard Assets, Doubtful Assets, Loss Assets .
- Provisioning Norms for Loan Assets
- Income Recognition
- Reversal of Income already booked.
- Appropriation of recovery in NPA Accounts.
- Securitisation of Assets -

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act , 2002

Annextures

- Banking Precautions
- Citizens Charter
- Note refund rules
- Recommendations of High Power Committee of RBI On BPLR . PLR and Base Rate
- What is CRR and SLR as per RBI
- Small storey of MICRO Financing in Bengla Desh which won Nobel Peace Prize to its Founder
- Treasury Operations
- The Frequently asked Question Replied by RBI Regarding NRIs
- Frequently Asked Questions about NEFT Answers as per RBI
- Frquently asked questions about RTGS (Reply as per RBI)
- Electronic Clearing Service(ECS) – FAQs Reply as per RBI
- Cheque truncation Questions answered by RBI, Department of Payment & settlement systems
- Facilities Available For NRIs, PIO(Persons of Indian Origin) for Investment in India
- Foreign Exchange facilities for Residents Questions answered as per RBI, External payment Division
- Non-Resident Ordinary (NRO) Account Scheme of RBI
- Scheduled Banks and Non-Scheduled Banks
- Fair Code of Conducts of Indian Banks by IBA
- DICGC - Deposit Insurance and Guarantee Corporation
- Senior Citizen Scheme
- Nomination
- Foreign Exchange Facility to Resident Individuals
- Government Securities Act, 2006 and Govt. Securities Regulations, 2007
- Micro Credit
- Hedging Price Risk in Commodities
- Instant Credit Scheme
- Instructions of RBI on Banking Matters
- Priority Sector Lendin
- Speed Clearing
- Gilt Fund
- NDS – Negotiated Dealing System (Reply as per RBI)
- Asian Clearing Union (Questions Answered by RABI)

Index