North Maharashtra University, Jalgaon. Faculty of Commerce and Management

F.Y.Bcom

(Semester Pattern – w.e.f. June-2014)

Elective Paper No. 7 (a): Principal & Practices of Banking.

Semister - Ist

Total Lectures = 48

Total Marks = 100 (Internal Continuous Assessment : 40 marks + External Exam : 60 Marks)

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Objective:

- To acquaint students with the concept of Banking Practices.
- To make the students aware of carrier opportunities in the field of Banking.
- To make understandable of banking operation.
- To know the relevance of Banking Practices in modern competitive world.

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<u>Chapter – I</u> Introduction to Banking

Lecture-12

- 1.1 Evolution of Banking
- 1.2 Meaning & Definition
- 1.3 Function of Banking
- 1.4 Role of Bank in Economic Development

Chapter – II Classification of Banks

Lecture-12

- 2.1 Structural Classification Unit Banking, Branch Banking Group Bank, Chain Banking – their merits & De-merites
- 2.2 Functional Classification
- 2.3 Ownership wise Classification- Public Sector, Private Sector and Foreign Bank.
- 2.4 Meaning & Structure of Co-operative Bank

Chapter – III Banking Operations

Lecture-12

- 3.1 Type of Account & Account Opening Saving A/C,Current A/C, Fixed Deposit A/C & Recurring Deposit A/C.
- 3.2 KYC Norms- KYC Policy origin
 Customer Definition under the KYC Principles
 RBI's Approach and Objectives --
 - a) Customer Acceptance Policy.
 - b) Customer Identification Process.
 - c) Monitoring of Customer Transactions.
 - d) Risk Management.
- 3.3 Type of Customer –

Minor Account, Joint Account, Partnership Account, Accounts of limited companies, Account of Trust, Government Bodies Accounts, General Precaution for Opening of these accounts.

<u>Chapter - Iv</u> Credit Creation

Lecture-12

- 4.1 Meaning, Process and Limitation
- 4.2 Balance sheet of a Bank
- 4.3 Principal of sound Leading
- 4.4 Modes of creating charge- Lien, Pledge, MortagageHypothecation.

REFERENCE BOOK

- 1) Banking Theory, Law and Practice- by E- Gordon, K, Natarajan,
 - -- Himalaya Publishing House
- 2) Know Your Banking III Anti- Money Laundering know your customer Indian Institute of Banking and Finance. Macmilan
- 3) Indian Banking Today Dalip Mehra Arvind Vivek Prakashan Agra.
- 4) Banking Theory and Practice K.C. Shekhar, Lekshmy Shekhar

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Chapter - I Negotiable Instruments -- Lecture-12

- 1.1 Definition Cheque and Bill of Exchange --
- 1.2 Salient Feature of a Cheque Specimen of a Cheque.
- 1.3 Material Alteration
 Meaning Effect of Material Alteration Example of Material
 Alteration and the Banker Immaterial Alteration Device to
 Arrest Material Alteration
- 1.4 Crossing
 General Crossing Special Crossing Double Crossing who
 Can Cross a Cheque Opening of Crossing
- 1.5 Endorsement
 Definition Significance of Endorsement Assignment vs.
 Endorsement Kinds of Endorsement Regularity of Endorsement
 Liability of Endorser.

Chapter - II Paying Banker - Collecting Banker Lecture-12

- 2.1 Paying Banker --:
- a) Precaution Before Honouring a Cheque
- b) Circumstance Under which a cheque can be Dishonored Answer to dishonored cheques.
- c) Statutory protection to a paying Banker -
- d) Payment in Due Course Holder in Due Course-
- e) Recovery of money paid by mistake Money can be Recovered –
 Money Can not be Recovered.

2.2	Coll	ecting	Banker	:
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- a) Banker as a Holder for value -
- b) Banker as an Agent -
- c) Conversion -
- d) Statutory Protection --
- e) Basis of Negligence -
- f) Duties of Collecting Bankers .--

Chapter - III Technology in Banking

Lecture-12

- 3.1 Technology in Banking Products / services
- 3.2 Automated Teller Machine (ATM)
- 3.3 Tele Banking, Electronic Fund Transfer (EFT)
- 3.4 Electronic Clearing Service (ECS)
- 3.5 Real Time Gross Settlement System (RTGS)
- 3.6 National Electronic Funds Transper(NEFT)
- 3.7 National Settlement System (NSS)
- 3.8 Credit Cards / Debit Cards
- 3.9 Internet Banking
- 3.10 Mobile Banking
- 3.11 E- Purchase / E-Money
- 3.12 Core Banking Solution (CBS)
- 3.13 Cheque Truncation System (CTS)
- 3.14 Electronic
- 3.15 Funds Transfer at Point of Sale (EFTPOS)

Chapter - IV Central Banking

Lecture-12

- 4.1 Meaning Functions of Central Bank
- 4.2 Monetary Policy Objectives Instruments of Monitory Policy.
- 4.3 Money Market Meaning Features of Developed money market
 - Features of Developing Money Market- Significance of Money Market- Money Market Instruments.
- 4.4 Capital Market Meaning and Features- Significance of capital
 market Constituents of capital Market.

REFERENCE BOOK

- 1) Banking Theory, Law and Practice- by E- Gordon, K, Natarajan,
 -- Himalaya Publishing House
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