

FYBCOM
Subject: Banking and Finance
Title; Fundamentals of Banking

Semester I	Subject Code: AC11507	Lectures: 48
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Objectives:

- To equip the students a clear understanding of
 - The fundamentals of banking theory
 - Banking business and practices
- To introduce the student to the recent developments in Banking

1: Structure of Banking

06

- Structure of Banking
- Functional Classification of Banks
 - Universal Banking
 - Islamic Banking
 - Green Banking

BOARD OF STUDIES-Business Economics & Banking

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Subject Teacher-Dr. Arwah Madan *Arwah Madan*

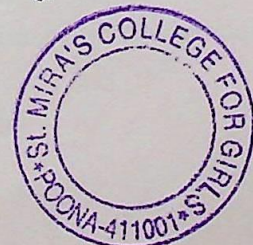
Subject Teacher-Mrs. Meenal Sumant *Meenal Sumant*

Subject Experts- Dr. Girija Lagad *Girija Lagad*

Subject Expert- Dr.Saili Belsare *Saili Belsare*

Industry Expert- Mr. Vijay Haldavnekar *Vijay Haldavnekar*

Alumnus Mrs. Suchismita Mohanty *Suchismita Mohanty*



2: Functions of Commercial Banks	14
<ul style="list-style-type: none"> • Primary Functions <ul style="list-style-type: none"> ○ Acceptance of Deposits ○ Advancing of Loans and Investments ○ Credit Creation by Banks: Process & Limitations • Secondary Functions • Agency and General Utility Services 	

3: Opening and Operating of Accounts	10
<ul style="list-style-type: none"> • Different types of Deposit Accounts • Procedure of Opening of Account- <ul style="list-style-type: none"> ○ KYC – Need and Importance, ○ Documentation-Identity and Address Proof • Introduction <ul style="list-style-type: none"> ○ Meaning & Importance • Nomination <ul style="list-style-type: none"> ○ Meaning ○ Legal provisions for Appointment of a Nominee • Closure of Accounts <ul style="list-style-type: none"> ○ Reasons for Closure of Account/s 	



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4: Calculation of Rate of Interest

08

- Calculation of Interest on Deposit Accounts
 - Fixed Deposit Account
 - Recurring Deposit Account
- Calculation of Equated Monthly Installments (EMI) on Loans
 - Traditional Method of Interest Calculation
 - Modern Method of Interest Calculation

5: Retail Banking

10

- Retail Banking
 - Meaning and Importance
 - Distinction between Retail and Corporate Banking
 - Retail products:
 - a) Deposits- Product Differentiation
 - b) Loans -Home Loans, Vehicle Loans, Personal Loans and Educational Loans
 - c) Services – Credit cards, Debit Cards, Smart Cards
 - d) New Areas-Private Banking, Wealth Management, Asset Management, Insurance, Stock Brokerage



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Arwah Madan

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Suchismita Mohanty

Arwah Madan
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Vijay Haldavnekar

Reference Books:

1. Sarkar A. N. "Green Banking", Atlantic Publisher and Distributors, (2014).
2. Gordon E. and Natarajan K., "Banking Theory Law and Practice", Himalaya Publishing House, 15th edition. (2001)
3. Shekhar K C , "Banking Theory and Practice", Vikas Publishing House Ltd. (1997)
4. Maheshwari S N, "Banking Law and Practice", Kalyani Publishers
5. Radhaswamy M, "Practical Banking" S. Chand and Co.
6. Shekhar K C and Shekhar L, "Banking Theory and Practice", Vikas Publishing House, New Delhi, 18th edition, 1999
7. Tanna M L, "Banking Law and Practice in India" India Law House, New Delhi, 2002
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9. Vaish MC, "Modern Banking", Oxford and IBH Pub. Co.
10. S.S. Kaptan, "New Concepts In Banking" Sarup and Sons, Daryaganj, New Delhi, 2002.



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Semester II

Subject Code: AC21507

Lectures: 48

Objectives:

- To equip the students with a clear understanding of
 - The fundamentals of banking theory
 - Banking business and practices
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1: Lending and Investment Functions of a Bank

10

- Principles of Lending
 - Safety
 - Liquidity
 - Profitability
 - Diversification of Risks
- Balance Sheet of a Bank
 - Liability side
 - Asset side
 - Importance of Balance Sheet



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2: Types of Customers

14

- Individual Customers :
 - Single and Joint Accounts
 - Minor
 - Married Woman
 - Executors and Administrators
 - Non Resident Indian
- Institutional Customers Partnership Firm :
 - Partnership Firm
 - Trust
 - Joint Stock Companies
 - Societies
 - SHGs



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3: Negotiable Instruments

08

- Negotiable Instruments
 - Meaning and Definition
 - Features
- Types of Negotiable Instruments
 - Bill of Exchange – Features & Parties
 - Promissory Note – Features & Parties
 - Cheque – Features & Parties, Types of Cheques, Crossing of Cheque & Types of Crossing
 - E-Cheque- Meaning, Advantages & Disadvantages

4: Technology in Banking

08

- E-Banking
 - Meaning & Facets of E-banking
 - Advantages & Disadvantages
- Core Banking
 - Meaning,
- Internet banking, Mobile Banking



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5: Technology in Banking -Remittances

08

- NEFT (National Electronic Funds Transfer)
 - Meaning
 - Advantages
 - Disadvantages
- RTGS (Real Time Gross Settlement)
 - Meaning
 - Advantages
 - Disadvantages
- EFT (Electronic Fund Transfer)
 - Meaning and Types – ECS - Credit and ECS - Debit
 - Advantages
 - Disadvantages

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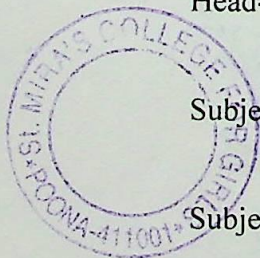
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6. Singh Abha. "E-Banking". ABD Publishers, Delhi. 2012.
7. Dr. Joshi V. N. "E-Banking in India". Garima Prakashan, Kanpur. 2013.
8. Shah M. R. "Net Banking". Book Enclave, Jaipur. 2012.

Websites:

1. www.rbi.org.in



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