

Banking and Insurance

Marks: 100

Lectures: 60

Objective: To impart knowledge about the basic principles of the banking and insurance

Unit 1: Introduction to Banking Business: **8** **Lectures**

Origin of Banking, Banking System-Concept and Different Important Terms used in Banking Business, Banking Sector Reforms in India, Banker and customer relationship, General and special types of customers, Overview of Banking Regulation Act 1949,

Unit 2: Banking Products and Banking Services **12 Lectures**

Financial Services offered by banks, Asset-Liability Management, Liability Products – Types of Loans and Advances, Asset Products - Types of deposits, CASA Score, Role of the Central Bank as Regulator, RBI's Policies for commercial banks International Security Standards in Banking, **Internet Banking** :Meaning, Benefits, Home banking, Mobile banking, Virtual banking, E-payments, ATM Card/Biometric card, Debit/Credit card, Smart card, NEFT, RTGS, ECS (credit/debit), E-money, Electronic purse, Digital cash, Payment banks

Unit 3: Banking Lending and Monitoring Process **10** **Lectures**

Principles of sound lending, KYC Policy, Secured vs. unsecured advances, Advances against various securities, Securitization of Standard Assets, Anti-money Laundering Guidelines, Credit Information Bureau of India, Credit Appraisal Process, Loan Syndication, Credit Monitoring, Credit Recovery.

Unit 4: Risk Management in Banks **10** **Lectures**

Risk Universe of banks, Measures for identifying and controlling risks, CAMELS Rating, Risk Architecture -Basel Regulations-Basel I, Basel II

Migration to Basel II norms, Balance Sheet of a Bank: special items and off balance sheet items, Asset Reconstruction Company.

Unit 5: Risk and Insurance

12

Lectures

Types of Insurance- Life and General- Insurance and Risk Mitigation Basic concept of insurable risk, Perils and Hazards, Types of business risk, Assessment and transfer, Basic principles of utmost goodfaith, Indemnity, Economic function, Proximate cause, Subrogation and contribution,

Unit 6: Insurance Business

8

Lectures

Concept of Insurance–Actuarial Practice for Life and Non-life, Re-insurance, Risk and return relationship, Legal Aspects of Insurance Contracts, Regulatory Framework of Insurance, and Overview of IRDA Act, Power, Functions and Role of IRDA, Online Insurance, Banc assurance

Relevant Case Studies will be referred

Suggested readings:

1. Agarwal, O.P., *Banking and Insurance*, Himalaya Publishing House
2. Satyadevi, C., *Financial Services Banking and Insurance*, S.Chand
3. Suneja, H.R., *Practical and Law of Banking*, Himalaya Publishing House
4. Chabra, T.N., *Elements of Banking Law*, Dhanpat Rai and Sons
5. Arthur, C. and C. William Jr., *Risk Management and Insurance*, McGraw Hill
6. Saxena, G.S; *Legal Aspects of Banking Operations*, Sultan Chand and Sons
7. Varshney, P.N., *Banking Law and Practice*, Sultan Chand and Sons
8. Jyotsna Sethi and Nishwan Bhatia, *Elements of Banking and Insurance*, PHI Learning
9. Bare Act: Banking Regulation Act 1949, SARFAESI Act 2002, **IRDA Act, 1999**

Note: Latest edition of text books may be used.