

MASTER OF BANKING AND INSURANCE

SEMESTER – II

MBI 201 : E-BANKING AND COMPUTER APPLICATION

Unit 1 : Data, Information and their use in banking and insurance, MS-Office (Word, Power Point, Excel) with exercises, Internet and E-mail, Benefits in banking and insurance, Mail-merge, Core banking solutions, Universal banking.

Unit 2 : Virus, Firewall, Anti-virus, Software and hardware, Current trends- Bank-net, RBI-net , Data-net, Nic-net, I-net with role and uses, Impact of technology on banks and effects on customers and service quality.

Unit 3 : Computer audit, Information system audit, Information system security, Online banking- benefits, Online enquiry and update facilities, Global development in banking technology, Protecting the confidentiality and security of data.

Unit 4 : Personal identification numbers and their use in conjunction with magnetic cards of both credits and debit cards, Smart cards, Signature storage and display by electronic means, Cheque truncation, Microfiche.

Unit 5 : Dematerialization, Electronic fund transfer system, SWIFT, RTGS, Cash dispensers, ATMs, Anywhere anytime banking, Home banking, Electronic payment system, Information Technology Act.

Suggested Readings:

1. Agarwala Kamlesh, N. and Agarwala Deeksha : Bridge to Online Storefront; Macmillan India, New Delhi.
2. Agarwala Kamlesh, N. and Agarwala Deeksha : Business on the Net-Introduction to the E-commerce; Macmillan India, New Delhi.
3. Agarwala, Kamlesh N. and Agarwala Deeksha : Bulls, Bears and The Mouse : An introduction to Online Stock Market Trading : Macmillan India, New Delhi.

MBI 202 : STATISTICAL METHODS FOR BUSINESS DECISIONS

Unit 1 : Statistics- Meaning, Importance, Role in banking and insurance business, Descriptive statistics, Central tendency and dispersion, Skewness.

Unit 2 : Correlation and regression, Theoretical distribution – Binomial, Poisson and normal.

Unit 3 : Methods of data collection, Sampling theory and design of sample surveys, Objectives and principles of sampling, Types of sampling, Sampling errors, Census vs. sample enumeration.

Unit 4 : Estimation and hypothesis testing, Estimation theory, Point and interval estimation, Setting and testing hypothesis, Errors in hypothesis testing, Standard error and sampling distribution, Test of significance, Tests in variables (large samples), and standard error of the mean and of the difference of two sample means, Significance tests in small samples of variables, Test for means and for difference of two sample means.

Unit 5 : Analysis of variance, Non-parametric tests – Chi-square test, Sign test and run test.

Suggested Readings:

1. Sancheti, D.C. and Kapoor, V.K. : Statistics (Theory, Methods and Applications), Sultan Chand and Sons, Delhi.
2. Gupta, B.N. : Statistics, SBPD Publications, New Delhi.
3. Gupta, S.C. and Gupta Indira : Business Statistics, Himalaya Publishing House, Mumbai.
4. Gupta, S.P. : Statistical Methods, Sultan Chand and Sons, New Delhi.
5. Nagar, K.N. : Statistics, Meenakshi Prakashan, Meerut.

MBI 203 : FINANCIAL AND TREASURY MANAGEMENT

Unit 1 : Business finance, Meaning, Need of finance, Financial goals, Objectives of firm, Profit maximization vs. wealth maximization. Calculation of simple interest and compound interest- Fixed and floating interest rates, Calculations of EMI's, Calculation of annuities, Bonds, Calculation of YTM, Bond pricing, Premium and discount.

Unit 2 : Treasury management – Meaning, Importance, Objective, Functions and scope of treasury management, Relationship between treasury and financial management, Role and responsibilities of chief finance executive, Tools of treasury management, Internal treasury controls, Role of IT in treasury management, Liquidity management, Regulation, Implications of treasury on international banking.

Unit 3 : Capital budgeting (all methods), Pay back, NPV, ARR, Profitability index, Depreciation and methods of calculation, Ratio analysis, Its importance and purpose of ratio analysis.

Unit 4 : Cost of capital – Significance of cost capital, Calculating of cost of debt, Preference shares, Equity shares and retained earnings, Weighted average cost of capital, Operating, Financial and combined leverage, Their measure, Effects of profits, Analysing alternative financial plans.

Unit 5 : Capital structure – Theories and determinants, Walter's and Gordon's model of dividend MM Hypothesis, Dividend policy determinants, Management of working capital, Cash management.

Suggested Readings:

1. Rao, Singh & Rao : Financial Management, Apex Publishing House, Udaipur-Jaipur.
2. Van Horne J.C. : Financial Management and Policy: Prentice Hall of India, New Delhi.
3. Van Horne J.C. : Fundamentals of Financial Management: Prentice Hall of India, New Delhi.
4. Khan M.Y. and Jain P.K. : Financial Management, Text and Problems; Tata McGraw Hill, New Delhi.
5. Prasanna Chandra: Financial Management Theory and Practice; Tata McGraw Hill, New Delhi.
6. Pandey, I.M. : Financial Management; Vikas Publishing House, New Delhi.
7. Brigham, E.F., Gapenski L.C. and Ehrhardt M.C. : Financial Management-Theory and Practice; Harcourt College Publishers, Singapore.
8. Ravi M. Kishore : Financial Management, Kalyani Publications, New Delhi.
9. Financial Forex and Treasury Management, ICSI Publication, New Delhi.

MBI 204 : MONETARY THEORY AND CENTRAL BANKING

Unit 1: Money, Meaning, Static and dynamic functions, Kinds of money, Reserve money, Near money, Sources of money supply - Government, Central bank, Commercial and other banks, Measures of money stock in India- M1, M2, M3 and M4.

Unit 2 : Theories of money, Quantity theory of money, Friedmen vs. Cambridge approach, Inflation – Meaning and effects, Types of inflation – Demand pull, Cost push, Profit push, Deflation, Recession, Stagflation, Disinflation, External borrowings, Need of external borrowings, Grants and loans.

Unit 3 : Evolution of banking in India, Classification of commercial banks in India, Financial and non financial intermediaries, Indigenous bankers – Types, Defects, Nationalization of banks.

Unit 4 : Investment banks, Need and purpose, Merchant bankers, Need and purpose, Underwriters, Venture capitalists, Private equity.

RBI, Role of RBI, Monetary policy and its objectives, Conflicts and instruments, Fiscal policy – Objectives.

Unit 5 : Capital norms and problems of adequacy and present position in Indian banks, Deposits- significance of deposits, Factors influencing the quantum at national and bank level, Strategy for deposit mobilization.

Suggested Readings:

1. Suraj B. Gupta : Monetary Economics, S. Chand, New Delhi.
2. M.H. DeCock : Central Banking, Staples Press, New York.
3. Geoffrey Crowther : An Outline of Money, T. Nelson, New York.

MBI 205 : PRINCIPLES AND PRACTICE OF COMMERCIAL BANKING IN INDIA

Unit 1: Evolution of Commercial Banking in India

Overall structure of banking system, Classification of commercial banks in India, Banking services, Money laundering. Asset structure in commercial banks, liquidity and its significance in asset structure, Policy of resource allocation in Indian commercial banks.

Unit 2: Theories of Commercial Banking

Doctrine of real bills, Shiftability theory, Anticipated Income theory, Functions of commercial banks, Multiple credit expansion and contraction, Clearing system in India, Sources and uses of funds.

Unit 3: Credit Management and Principles

Principles of lending – Various credit products, Working capital and term loans, Credit appraisal techniques, approaches to lending, Credit management, Credit monitoring, NPAs management, Different types of documents, Documentation procedure, Stamping of documents, Securities, Different methods of charging, Types of collateral securities and their features, Credit cards, Home loan, Personal loan, Consumer loan. Brief outline of procedure and practice.

Unit 4: Resource and Income Management

Earning and Expenditure structure in commercial banks, Spread - Meaning and significance, Factors affecting earnings and incomes and spread in India,

Profitability – Meaning, Justification for profits, Present position of profitability in Indian banks, Suggestions.

Unit 5: Operations

Commercial banks and term lending – Salient features, Under-writing of capital issues, Investment holding, Operations of commercial banks – Meaning and growth in India.

Suggested Readings

1. R.M. Srivastava : Management of the Financial Institutions in India, Himalaya Publishing House, New Delhi.
2. Shekhar and Shekhar : Banking Theory and Practice, Vikas Publishing House, New Delhi.
3. Commercial Banking Vol. 1-2 : Indian Institute of Bankers, Mumbai.

MBI 206 : LAW AND PRACTICE OF BANKING IN INDIA

Unit 1: Law

Main provisions of the Negotiable Instruments Act-1881, The Banking Regulation Act-1949, The Banking Companies (Acquisition and Transfer of Undertakings)-Act-1970. RBI powers of opening of a new bank and branch, Bank share, Stakeholders and their rights, CRR, SLR, Repo rates, Reverse repo-rate, Asset-liability management, Winding up, Amalgamation and merger, Audit and inspection, Disclosure of books.

Unit 2: Practice

Functions and services of commercial banks, Know your customer, Banker-Customer relationship, General and special, Law of limitations (relevant provisions), Banker's books, Evidence Act (relevant provisions), Termination of relationship, Paying banker-duties, Precautions, Rights and protection, Collecting banker-duties, Precautions, Rights and protection.

Unit 3: Accounts

Bank deposit accounts – Fixed, Current, Savings and Recurring, Time and demand, Joint accounts, Special types of customers – Minor, Married, Woman, Purdahnashin woman, Lunatic, Illiterate, Partnership firm, Joint Stock Company, Society, Other corporate bodies. Charitable Institutions, Trusts, Executors, HUF, Demat account.

TDS, Banking cash transaction-Tax, Service tax,

Unit 4: Lending

Financial analysis, Techniques of bank lending, Mode of lending – Loans, Cash credit, Overdraft, Discounting of bills, Monitoring of advances, Nursing of problem accounts.

The sale of goods Act-1930, FEMA-2000 - Main provisions.

Unit 5: Security

Secured and unsecured advances – Lien, Pledge, Mortgage, Hypothecation, Guarantee, Leasing, Specific securities – Stock exchange securities, Goods, Document of title to goods, Immovable property, Life policies, Deposit receipts.

Suggested Readings:

1. S.R. Davar : Law and Practice of Banking, Vikas Publishing House, Delhi.
2. K.C. Shekhar : Banking Theory and Practice, Vikas Publishing House, New Delhi.
3. P.N. Varshney : Banking Law and Practice: S. Chand and Sons, New Delhi.
4. S.N. Maheshwary : Banking Law and Practice: Kalyani Publishers, New Delhi.
5. P.K. Srivastava : Banking Theory and Practice, Himalaya Publishing House, New Delhi.
6. S.C. Kuchhal : Business Legislation for Management, Vikas Publishing House, New Delhi.

MBI 207 : VIVA-VOCE