

As per New CBCS Syllabus for Fourth Semester, BBA,
Bangalore University w.e.f. 2014-2015

Banking Regulations and Operations

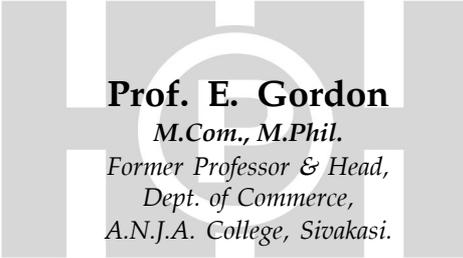
E. Gordon ■ K. Natarajan



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(As per New Syllabus (CBCS) for Fourth Semester, BBA, Bangalore University w.e.f. 2014-15)



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Preface

The study of banking is receiving an increasing attention in recent times at the hands of academicians necessitating its inclusion in the curriculum of Commerce and Management programmes of many universities. In this context, the Bangalore University has taken the lead by completely revising and revamping the syllabi for '**Banking Regulations and Operations**' for both Commerce and Management studies incorporating therein many skill development programmes so as to develop the overall personality of learners in these fields.

A vibrant banking system coupled with systematic, established and legal practices pave way for the sustained financial stability and sound economic progress of a nation. Indeed, the Indian banking has ushered in a new dawn of progress on the Indian horizon and it has become the lifeline of the nation and the people. The students of banking, therefore, must be exposed not only to the theoretical aspects of banking but also to the day-to-day operations of banks including the Negotiable Instruments Act, their relationship with customers, the innumerable services they offer, and above all the law and practice governing their functioning. Hence, the students of Commerce and Management are badly in need of a suitable text book covering all these aspects incorporating the latest developments in the respective fields.

Realising the imperative need to bring out a suitable book on '**Banking Regulations and Operations**' tailored to meet the specific requirements of students of Bangalore and other universities, a modest attempt has been made to present this edition in the hands of the academic community – both the teachers and the taught. Though the book is on a technical subject, all matters are presented in a lucid manner and in simple language. All latest developments have been covered and above all, it is most student-friendly. No doubt, this book will serve as a beacon light to all those who intend to achieve excellence in the practice of banking and it will be an invaluable guide to those who prepare for C.A.I.I.B. and other professional examinations.

We are greatly indebted to all our well-wishers for their constant encouragement and valuable suggestions in bringing out this edition in an elegant manner. Our publishers deserve our special thanks for their unstinted support and assiduous efforts in bringing out this edition in an admirable manner. We wish to express our sincere thanks to all the members of the Himalaya Publishing House Pvt. Ltd. for the neat and nice execution of this work.

Critical comments and constructive suggestions for the improvement of this book are most welcome and will be greatly appreciated.

E. Gordon
K. Natarajan

Syllabus

Objective

The objective is to familiarize the students to understand the law and practice of banking.

Unit 1: Commercial Banks

08 Hours

Introduction – Role of Commercial Banks – Functions of Commercial Banks – Primary Functions and Secondary Functions – Credit Creation of Commercial Banks – Investment Policy of Commercial Banks – Profitability of Commercial Banks. Regulation and Control of Commercial Banks by RBI.

Unit 2: Banker and Customer Relationship

20 Hours

Banker and Customer: Meaning of Banker and Customer – Banking Company – General and Special Relationships between Banker and Customer.

Types of Customers and Account Holders: Procedure and Practice in Opening and Conducting the Accounts of Customers Particularly Individuals including Minors – Joint Account Holders. Partnership Firms – Joint Stock Companies with Limited Liability – Executors and Trustees – Clubs and Associations – Joint Hindu Family.

Unit 3: Negotiable Instruments

08 Hours

Introduction – Meaning and Definition – Features – Kinds of Negotiable Instruments (Meanings only) – Cheques – Meaning and Definition – Features – Parties – Crossing of Cheques – Types of Crossing. Endorsements – Meaning – Essentials – Kinds of Endorsement.

Unit 4: Paying Banker and Collecting Banker

10 Hours

Paying Banker – Meaning – Precautions – Statutory Protection to the Paying Banker – Dishonour of Cheques – Grounds of Dishonour – Consequences of Wrongful Dishonour of Cheque.

Collecting Banker – Meaning – Duties and Responsibilities of Collecting Banker – Statutory Protection to Collecting Banker.

Unit 5: Principles of Bank Lending

10 Hours

Different Kinds of Borrowing Facilities Granted by Banks – Loans, Cash Credit, Overdraft, Bills Purchased, Bills Discounted, Letters of Credit – Types of Securities – NPA (Meaning only). Sound Principles of Bank Lending.

Skill Development:

- Collect and Fill Account Opening Form of SB A/c or Current A/c.
- Collect and Fill Pay-in-Slip of SB A/c or Current A/c.
- Draw Specimen of Demand Draft.
- Draw Different Types of Endorsement of Cheques.
- Paste Specimen of Travellers' Cheques/Gift Cheques/Credit Cheques.
- List Customer Services Offered by Atleast 2 Banks of Your Choice.

