

**SARDAR PATEL UNIVERSITY**  
**PROGRAMME: B.COM. (HONS') (3 Years)**  
**(Corporate Banking & Insurance)**  
**(Under Choice Based Credit System Based on UGC Guidelines)**  
**Syllabus with effect from: June-2018**

**Semester: I**

<b>Paper Code: UB01DCOH23</b>	<b>Total Credits: 4</b>
<b>Title of Paper: Fundamentals of Banking</b>	
<b>Objective :</b> The objective of this course is to impart knowledge about fundamental concepts of banking and provide background for advance banking sector study.	

Unit No.	Description in Detail	Weightage
<b>1</b>	<b>INTRODUCTION TO BANKING</b> <ul style="list-style-type: none"> <li>• Meaning and function Banks</li> <li>• Types of Banks and Role of Banks in Economic Development</li> <li>• Different types of accounts - Current , Saving , Fixed deposits, Recurring Deposits, NRI</li> <li>• Methods of Remittances- Demand Drafts, Telegraphic Transfers, Traveler's Cheque</li> <li>• RTGS (Real Time Gross Settlement)</li> </ul>	<b>25%</b>
<b>2</b>	<b>BANKER -CUSTOMER RELATIONSHIP</b> <ul style="list-style-type: none"> <li>• Legal framework of Banker-customer relationship</li> <li>• Banker's Disclosure, Termination of Relationship</li> <li>• Bankers right of Lien and Set-off</li> <li>• The Banking Ombudsman Scheme,1985</li> <li>• Meaning and characteristics of Negotiable Instruments-Cheque, Bills of Exchange and Promissory Notes-A Brief Overview</li> </ul>	<b>25%</b>
<b>3</b>	<b>LENDING PRINCIPLES AND BALANCE SHEET OF A BANK</b> <ul style="list-style-type: none"> <li>• Principles of Sound Lending</li> <li>• Purpose, Safety, Security, Liquidity, Profitability and Diversification of risks</li> <li>• Conflict between Liquidity and Profitability</li> <li>• Credit Creation by Banks – Process and Limitations</li> <li>• Balance Sheet of a Commercial Bank</li> </ul>	<b>25%</b>
<b>4</b>	<b>THE BANKING REGULATION ACT,1949</b> <ul style="list-style-type: none"> <li>• Object of the Act</li> <li>• Banking business</li> <li>• Various terms under the Act-</li> <li>• Management, Resource, Capital, Dividend, Reserve</li> <li>• Fund, Loan&amp; Advances, Licensing ,Winding Up</li> <li>• Regulations of Banking Business –Power to issue directions, Acceptance of Deposits, Nominations, Loan &amp;Advance</li> </ul>	<b>25%</b>

**Evaluation : Internal : 40 Marks (Theory)**  
**: External: 60 Marks (Theory) – Two Hours Examination**

**Tutorial : Credit – 1 Marks – 25**

<b>5</b>	Total Twenty questions from Unit 1 to 4, shall comprise as a part of Journal, which shall be maintained by the students.	<b>25%</b>
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**Evaluation : Internal : 25 Marks**

Journal shall be evaluated by the concerned teachers.

**Reference Books:**

- Banking Law and Practice by Mona Tanna & Manish Tanna, Himalaya Publishing House
- Banking Theory, Law and Practice by E. Gordon & K. Natarajan, Himalaya Publishing House
- Practice and Law of Banking by B S Khubchandani, MacMillan India Ltd
- Principals & Practices of Banking by Indian Institute of Banking & Finance, MacMillan India Ltd
- Legal Aspects of Banking by Indian Institute of Banking & Finance, MacMillan India Ltd