

BANKING & INSURANCE : 1 : IV SEMESTER

UNIVERSAL BANKING

Syllabus

1. Evolution of Universal Banking.
2. Commercial banking versus development banking, sources and uses of funds of commercial banks and development banks; Universal banking as mix of commercial and development banking; the asset-liability mismatch possibilities; risks in project lending; the short term nature of funding sources; universal banking in the open economy context; Off-balance sheet items and services that the development wing of the universal bank provides.
3. The entry of commercial banks into the securities business; Consumer finance, Merchant Banking, non-banking investments and activities of banks; universal banking and the future of small business lending.
4. Case studies – universal banking abroad – applicability of universal banking in open market – oriented emerging economies – advantages and disadvantages; supervisory issues and regulatory concerns.
5. The debate over universal banking in India; recent trends in universal banking in India. Challenges of Universal banking in the Indian context.

BANKING & INSURANCE : 2 : IV SEMESTER

INNOVATIONS IN BANKING AND INSURANCE

Syllabus

1. Review of functioning of banks, Liabilities and Assets of banks; Net worth of banks; Off- balance sheet items.
2. New products – deposit and loan products; housing finance; hire-purchase; leasing; factoring and forfeiting; merchant banking bank mutual funds; consumer loans; venture capital finance; banks as credit financial supermarket maturity and return profiles of new products, implications for risk management, derivatives in banking, innovations in credit appraisal system.
3. New financial services provided by banks – investment portfolio management services; advice on money management,; tax services
4. Electronic payment systems at the retail level; credit and debit cards; e-banking.
5. Definitions and functions of insurance; nature of insurance business; the varieties of insurance – life and general; New Insurance products.
6. Integration of third party and re-insurance; banking and insurance – their co-existence and the problems involved; insurance as cover to risks in banking; systematic and unsystematic risk; credit, interest rate, market and systemic risks; bank assurance.
7. Privatisation of insurance business in India; banking and insurance regulation; self-regulation and installation of corporate governance; future strategies for promoting insurance in India.

CORPORATE LAW'S AND LAWS GOVERNING CAPITAL MARKETS

1. Companies Act & Rules
 - a. Management & Administration (Part VI)
 - b. Creation & Registration of Charges (Part V)
 - c. Capital & Debenture (Part IV)

2. Competition Act

3. Securitisation Act

4. Securities & Exchange Board of India (SEBI) Act
 - a. Establishment of SEBI
 - b. Power & Function of Board
 - c. Registration Certificate
 - d. Finance Accounts & Audit
 - e. Penalty & Adjudication

5. SEBI – (Disclosure & Investor Protection) – Guidelines

6. Securities Contract (Regulation) Act
 - a. Contracts & Options in Securities
 - b. Listing of Securities
 - c. Penalties & Procedures

BANKING & INSURANCE : 4 : IV SEMESTER

ENTREPRENEURSHIP MANAGEMENT

1. Entrepreneurship – Meaning – Entrepreneurship Awareness – Need for Entrepreneurship & Self Employment – Qualities to become an entrepreneur – Building your own enterprise – Government & Entrepreneurship Development Programme.
2. Business opportunities – Importance of creativity in Entrepreneurship – Bringing out creative ideas. In reality – Management Resources for small enterprises (6 M's of Management) – Risk factor in the self employment – Preparation of project for small – scale unit starting the venture.
3. Legal considerations for opening a unit-firms of ownership – sole proprietary – Partnership – Elements of Contract Law.
4. Planning for a small-scale business – Location of the business – Financial Management – Human Resource Management – Production Management – Marketing Management – Cost controlling – Accounting of a business – Developing expanding and ending the venture.
5. Quick start methods – A new approach to selling products & services – franchises – Turnkey or packaged business – Buying an existing business.
6. Entrepreneurship in Banking & Insurance sectors – opportunities available after privatization of these sect
7. Entrepreneurship Development Centers – Training to entrepreneurs – Training Centres in India.
8. Case Studies – Wherever essential

BANKING & INSURANCE : 5 : IV SEMESTER

FINANCIAL MARKET

1. Indian : Financial System in the Post – 1950 Period
 - a. Introduction
 - b. Background
 - c. Indian Financial System

2. Regulatory institution – The Reserve Bank of India
 - a. Introduction
 - b. Organisation and Management
 - c. Role and Functions
 - d. Monetary Policy of the RBI.
 - e. Recent Policy Developments

3. Regulatory Institutions
 - a. Companies Act, 1956
 - b. Securities Contracts(Regulation) Act, 1956
 - c. Capital Issues(Control) Act 1947
 - d. Securities and Exchange Board of India Act 1992 and other related Act

4. Call money market
 - a. Introduction
 - b. Meaning and Importance of Market
 - c. Participation in Transactions
 - d. Location
 - e. Size of Call Money Markets
 - f. Call rates

5. Commercial Bills Market
 - a. Introduction
 - b. Bill of Exchange
 - c. Size of Bill Market in India
 - d. Bill Market Rates
 - e. Market in Long-term Bills.

6. Commercial paper and Certificate of Deposits Market
 - a. Introduction
 - b. Commercial Paper
 - c. CPs in India
 - d. Certificate of Deposits in India
 - e. CPs and CDs Market: Size and Interest Rates

7. The Discount Market
 - a. Introduction

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- b. Discounting service
 - c. Discount Houses in the UK
 - d. Discount and Finance House of India
 - e. Securities Trading Corporation of India
 - f. DFHI and STCI: Volume and Composition of Business
8. Treasury Bills + Government(Gilt- Edged) Securities Market(8 Lectures)
- a. Treasury Bills, Auction, participants in T.B. Markets and Role of market in Government finances
 - b. Nature and Organisation of Government Securities Market
 - c. Volume and Composition of Issues
 - d. Secondary Market Transactions.
 - e. Ownership and maturity Pattern
 - f. Prices and Yields
 - g. Implications for Monetary Policy
 - h. Recent Development in Government Securities Market
9. Industrial Securities Market
- a. Introduction
 - b. Finance
 - c. Organisation and Structure of Primary and Secondary Market
 - d. Listing, Trading and Settlement systems
 - e. Primary Market and Disclosure Norms
 - f. Prices and Yields of Industrial Securities
 - g. Measures to Develop Equity Culture
 - h. Intermediarise in Primary and Secondary Market
10. Market for Futures, Options and other Financial Derivatives
- a. Introduction
 - b. Derivatives: Meaning, Types and Uses
 - c. Valuation or Pricing of Derivatives
 - d. Derivatives Market Abroad
 - e. Derivatives in India : Prospects and Policy
11. Foreign Exchange Market
- a. Introduction
 - b. Nature, Organisation, and Participants of Market
 - c. Central Bank Intervention
 - d. Exchange Rates (ERs)
 - e. Devaluation and depreciation
 - f. Currency Convertibility(CC)
 - g. Forward transaction and Forward Premium

BANKING & INSURANCE : 7 : IV SEMESTER

COST ACCOUNTING OF BANKING & INSURANCE

1. Identifying Elements of Cost
 - a. Materials
 - b. Staff Cost
 - c. Overheads

2. Different Methods of Costing
 - a. Job order Costing
 - b. Process Costing
 - c. Service Costing
 - d. Operating Cost Statement
 - e. Contract Costing
 - f. Joint Products/By Products
 - g. Unit Costing

3. Cost Accounts & Financial Accounts Compare, Contrast and Reconcile

4. Cost Classification by behavior with reference to Banking & Insurance Industries

5. Standard Costing
 - a. Criticisms of standard costing
 - b. Material prices and usage; labour rate and efficiency(including idle time); variable overhead efficiency and expenditure; fixed overhead expenditure, volume, Capacity and efficiency/productivity.
 - c. Total material mix and yield variances
 - d. Sales price and volume variances(Note: the volume variance will be calculated on a unit basis using sales revenue, contribution or gross profit).
 - e. Interpretation of variances: interrelationship, significance
 - f. Benchmarking
 - g. Behavioural implications of setting standard costs (Note: Standard process costing is not included)

6. Budgeting
 - a. Planning
 - b. Time series and regression
 - c. 'What-if' analysis
 - d. Controllable and uncontrollable costs
 - e. Fixed and flexible budgeting
 - f. Incremental budgeting
 - g. Rolling budgets
 - h. Zero-based budgeting

BANKING & INSURANCE : 8 : IV SEMESTER

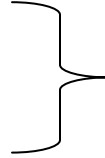
- i. Activity-based budgeting
 - j. Balanced scorecard
 - k. Behavioural implications
7. Costing Systems and Decision Making 45%
- a. Value and functional cost analysis
 - b. Resource planning systems: MRPI, MRPII and ERP.
 - c. Just-in-time
 - d. Activity- based, absorption, marginal and process(eg FIFO AND Average Variable Cost Approach AVCO) costing and throughout accounting
 - e. Cost reduction programmes
 - f. Total quality management
 - g. Multi-products CVP analysis including break even, margin of safety, contribution/sales ratio, break even charts, contribution, profit/volume graphs.
 - h. Relevant costs and revenues for short term decision making.
 - i. Single limiting factor analysis where a company has restricted freedom of action.
 - j. Graphical linear programming (including an explanation of shadow prices)

FINANCIAL MANAGEMENT –II

TOPICS

Capital Investment Decisions

1. Proposal Origination
2. Economic Evaluation
3. Capital Expenditure Control
4. Post – Audit



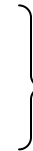
Tools of Evaluating Capital Investments

1. Payback Method
2. Discounted Payback Method
3. Net Present Value
4. Internal Rate of Return
5. Profitability Index
6. Equivalent Annual Cost
7. Modified Internal Rate of Return



Cost of Capital

1. Computation of Weighted Average Cost of Capital
2. Cost of Debt & Cost of Preference Shares and Net worth
3. Minimum Acceptable Rate of Return and its relationship with Cost of Capital



Negotiating Term loan proposals with Banks Appraisal of Borrowers credit worthiness by lending banks.



Equity capital as a source of finance: Rights Issue and issue at a premium SEBI regulations governing issue of securities in India Prospectus for issue of securities, Understanding and interpreting Initial Public Offerings (I.P.O.) their mode of operation Employee Stock Options Plan and Sweat Equity.



Role of Taxation in influencing Corporate Financial Management

1. Concept of Tax Shield (Tax Deductibility of Expenditures and their implications for financial decisions)
2. Depreciation Policy.

