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PAPER 2: BANKING THEORY AND PRACTICE

1. **BANKS AND BANKER:** Meaning, concept and definitions: Evolution of Banking institutions, Significance, Structure of banking system in India. Role of Banks in modern economy.
2. **COMMERCIAL BANKING:** Functions and services of commercial banks-Primary and secondary functions, Changing role of commercial banks- Technology in Banking: Virtual banking-ATM, Credit card, Debit card, Tele Banking- internet banking, SWIFT (Society for Worldwide Inter- bank Financial Telecommunication), Concept of Core Banking – Universal banking.
3. **INVESTMENT POLICY OF BANKS:** Portfolio management, Principles of Investment Policy. Credit Creation Process.
4. **BANKER CUSTOMER RELATIONSHIP:** General and Special
5. **NEGOTIABLE INSTRUMENTS:-**Cheque, Promissory notes, Bills of exchange (meaning, features and differences), Crossing of cheque, and Endorsement of instruments.
6. **PAYING BANKER:** Meaning, Precautions to be taken by a paying Banker, Dishonour of cheques, and Statutory protection to the Paying Banker.
7. **COLLECTING BANKER:** Legal status of the collecting banker, Duties of collecting banker, Statutory protection given to collecting banker.
8. **ADVANCES:** Principles of sound lending, forms of advance, Modes of creating charge- Advances against different securities.
9. **RESERVE BANK OF INDIA:** Importance, Functions- Traditional and Promotional- Role of RBI in economic development of India.
10. **CO-OPERATIVE BANKING:** features, merits, limitations, co-operative banking in India.

Books for reference:

1. Chatterjee, A.K: Management Techniques of Banking (Bombay, Himalaya Publishing House)
2. Dyer, L.S: A Practical approach to Bank Lending (London, Stanhope)
3. Mehta, R.R.S : Fundamentals of Banking (Bombay, Himalaya Publishing House)
4. Krishna Swami : (Fundamentals of Co-operation (Delhi, S. Chand)
5. Choudry, B.L: Co-operative Banking in India
6. Sundharam and Varshney: Banking and Financial System(Sultan Chand and Sons, Delhi)
7. K.P.M Sundaram: Modern Banking(Sultan Chand and Sons, Delhi)
8. R.B.I Review of Co-operative Movement in India
9. Cox, David: Elements of Banking (London, John Murrary)
10. Maheswari S. N: Banking Law and Practice (Ludhiana, Kalyani Publishing House)