ಮಂಗಳೂರು ವಿಶ್ವವಿದ್ಯಾನಿಲಯ
MANGALORE UNIVERSITY

(Accredited by NAAC with 'A' Grade)

ಕ್ರಮಾಂಕ/ No. : MU/ACC/CR.27/PGDRB/2016-17/A2

ಕುಲಸಚಿವರ ಕಛೇರಿ
ಮಂಗಳಗಂಗೋತ್ರಿ – 574 199
Office of the Registrar
Mangalagangothri – 574 199

ದಿನಾಂಕ/Date: 21.07.2017

NOTIFICATION

Sub: Regulations governing the Post Graduate Diploma in Rural Banking (PGDRB) through Distance Education programme of Mangalore University.

Ref: 1) Decision of the Academic Council meeting held on 3.02.2017
2) Government letter No. ED 3 UDS 2017, dated 29.06.2017

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The Regulations governing the Post Graduate Diploma in Rural Banking (PGDRB) through Distance Education programme of Mangalore University assented by the Honorable Chancellor on 14.06.2017 as communicated in Government letter referred to (2) above and the Syllabus thereon approved by the Academic council cited under reference (1) above are hereby notified for implementation with effect from the academic year 2017-18 and onwards.

REGISTRAR.

To:

1) The Director, Centre for Distance Education, Mangalore University.
2) The Registrar (Evaluation), Mangalore University.
3) The Chairman, BOS in Commerce, Dept. of Commerce, Mangalore University.
4) The Dean, Faculty of Commerce, Mangalore University.
5) The Assistant Registrar (ACC), Mangalore University.
6) The Superintendent (ACC), O/o the Registrar, Mangalore University.
7) A3/ A6 Case Worker (ACC), O/o the Registrar, Mangalore University.
8) Guard File.
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MANGALORE UNIVERSITY

REGULATIONS GOVERNING THE POST-GRADUATE DIPLOMA IN RURAL BANKING (PGDRB) THROUGH CENTRE FOR DISTANCE EDUCATION

(Framed under Section 44(1) read with para 4(i) of the KSU Act 2000)

Preamble:

The chair in Rural Banking and Management was established on 30th March 1995 in the Mangalore University. The chair is jointly sponsored by the Syndicate and Canara banks. The chair was established with the objectives of creating banking knowledge among rural population, to develop new courses (short term) in the university campus etc. In this direction, it has been decided to introduce a P. G. Diploma in Rural Banking (PGDRB) through Centre for Distance Education of Mangalore University to provide the students an opportunity to acquire additional educational qualifications in the University.

1. TITLE AND COMMENCEMENT:

i) These regulations shall be called "The regulations governing the **Post-Graduate Diploma in Rural Banking** through Centre for Distance Education of Mangalore University"

ii) These regulations shall come into effect from the date of assent of the Chancellor.

2. PROGRAMMES:

Post-Graduate Diploma in Rural Banking shall be introduced through Centre for Distance Education of Mangalore University.

3. ELIGIBILITY:

Candidates who have passed any bachelor's degree examination of Mangalore University or any other university considered as equivalent

thereto by Mangalore University are eligible for admission to Post Graduate Diploma programme.

4. DURATION:

The Post-Graduation Diploma programme shall be of one academic year.

5. MEDIUM OF INSTRUCTION:

The Medium of instruction and examination shall be in English.

6. MAXIMUM PERIOD FOR COMPLETION OF THE PROGRAMME:

The candidate shall complete the programme within three years from the date of admission to the programme.

7. CONTACT PROGRAMME:

There shall be two contact programmes of one week duration each. Seminars, discussions and inter-active sessions will be part and parcel of the contact programme.

8. SCHEME OF EXAMINATION:

Paper*	Duration	Marks		Total
		Theory	Internal Assessment (Assignment)	
Paper I	3 hrs.	80	20	100
Paper II	3 hrs.	80	20	100
Paper III	3 hrs.	80	20	100
Paper IV	3 hrs.	80	20	100
Paper V	3 hrs.	80	20	100
Paper VI	3 hrs.	80	20	100
			Grand Total	**600**

9. INTERNAL ASSESSMENT:

9.1 Marks for internal assessment shall be awarded on the basis of assignments. Students shall submit two assignments of 10 marks each in each paper of study which shall be evaluated by the faculty concerned. The assignment marks should be forwarded to the Registrar (Evaluation) at least 15 days before the commencement of the annual examinations.

9.2 Internal assessment marks shall be shown separately in the marks card. A candidate who has rejected the result or who, having failed, takes the examination again or who has appeared for improvement shall retain the internal assessment marks already obtained.

10. REGISTRATION FOR EXAMINATION:

A candidate shall register for all the papers in the subject of the year when he/she appears for the examination for the first time.

11. MINIMUM FOR PASS:

No candidate shall be declared to have passed in a examination unless he/she obtains not less than 40% marks in each theory paper and internal assessment marks put together.

12. CLASSIFICATION OF SUCCESSFUL CANIDATES:

12.1 The results of successful candidates shall be classified on the basis of aggregate marks obtained.

12.2 The candidates who pass all the examinations in the first attempt are eligible for rank provided they secure 60% and above marks.

Percentage of marks for declaring class:

First Class with Distinction	70% and above
First Class	60% and above but less than 70%

Second Class	50% and above but less than 60%
Pass Class	40% and above but less than 50%

13. REJECTION OF RESULTS:

13.1 A candidate who fails in one or more papers may be permitted to reject the result of the whole examination. Rejection of result paper wise shall not be permitted. A candidate who rejects the results shall appear for the examination of that year in the subsequent examination.

13.2 Rejection shall be exercised only once and the rejection once exercised cannot be revoked.

13.3 Application for rejection along with payment of the prescribed fee shall be submitted to the Director of Distance Education together with the original statement of marks within 30 days from the date of publication of the result.

13.4 A candidate who rejects the result is eligible for only class and not for ranking.

14. IMPROVEMENT OF RESULTS:

14.1. A candidate who has passed in all the papers may be permitted to improve the result by reappearing for the whole examination.

14.2. The reappearance shall be permitted only once

14.3. The reappearance for the examination of any year is permitted during the subsequent examination of that year.

14.4 Application for improvement along with payment of prescribed fee shall be submitted to the Director of Correspondence Education together with the original statement of marks within 30 days from the date of publication of the result.

14.5. If the candidate passes in all the subjects in the reappearance, higher of the two aggregate marks secured by the candidate shall be awarded to the candidate. In case the candidate fails in the reappearance, candidate shall retain the first appearance result.

14.6 A candidate who has appeared for improvement is eligible for only class and not for ranking.

(Assented to by the Chancellor on 14.06.2017 as communicated in Government letter No. ED 3 UDS 2017 dated 29.06.2017)

Sd/-
REGISTRAR.

MANGALORE UNIVERSITY

POST GRADUATE DEPARTMENT OF COMMERCE

POST-GRADUATE DIPLOMA IN RURAL BANKING (PGDRB)

COURSE CURRICULAM

DIRECTORATE OF CORRESPONDNCE COURSE (Annual Scheme)

MANGALORE UNIVERSITY

DIRECTORATE OF CORRESPONDNCE COURSE

Post-Graduate Diploma in Rural Banking

Post Graduate Diploma Programmes

Paper*	Duration	Marks		Total
		Theory	Internal Assessment (Assignment)	
Paper I: Principles and Practices of Banking	3 hrs.	80	20	100
Paper II: Rural Banking in India	3 hrs.	80	20	100
Paper III: Legal and Regulatory systems in banks.	3 hrs.	80	20	100
Paper IV: Rural banking and Financial Inclusion	3 hrs.	80	20	100
Paper V: Technology For Rural Banking	3 hrs.	80	20	100
Paper VI: Credit Management in Banks	3 hrs.	80	20	100
			Grand Total	**600**

PAPER I: PRINCIPLES AND PRACTICES OF BANKING

Objective: This Course enables the students to know the basic and principles of Banking and the working of Banking System

Pedagogy: Pedagogy: Two contact programmes, Reading material and assignments

Module-I: Introduction: Evolution of Indian Banking, Growth of banking industry, commercial banking, Unit and Branch Banking, Universal Banking, Co-operative Banking, Banking Correspondence Model (BCM), Banking Subsidiaries, Phases of Indian Banking, Impact of Nationalization on Indian Banking System, pre and post Liberalization of Indian Banking System, Challenges after Nationalization and Liberalization.

Module-II: Commercial Banks: Functions of Commercial Banks, Agency Services – General Utility Services, Credit Creation and Limitations of Credit Creation; Practice of Banking –Banker as a Trustee and an Agent; Appropriation of Payment –Right of Lien and Setoff –Obligation to maintain Secrecy and KYC. Indian Banks Association (IBA), Functions and organizational structure of IBA.

Module-III: Banker-Customer Relationship: Bankers Obligations, Disclosure of Customer Account Information, Termination of Relationship, Bankers Rights, Lien, Setoff, Right of Appropriation, Garnishee Order, Attachment Order, Immediate Credit of Instruments, and Time Norms in Customer Service, termination of relationship.

Module-IV: Types of Customers: Minors, Partnership Firms, Hindu Undivided Family, Joint Stock Company, Trust- Executors, administrators, Insolvency, Liquidators/Receivers, Blind Persons, Illiterates, Married Women, Lunatics, Clubs, Society Club, Agent Power of Attorney, and Mandate Joint Accounts. Ordinary Non- Resident Rupee Accounts, Non-Resident Accounts, Foreign Currency Accounts and others; facility of nomination.

Module-V: Retail Banking: Credit Card and debit cards, Factoring, Customer Finance, Hire Purchase, Leasing, Housing Loans, Depository Services, Worker Service, Private banking for HNI (High Net worth Individuals).

References:

1. Tanna M.L., Banking Law and Practice in India, India Law House, New Delhi
2. Bare Acts –Negotiable Instruments, Banking Regulations, RBI, Banking Companies, etc
3. Gordon and Natarajan, Banking Theory and Practice, Himalaya Publishing House
4. Varshney P.N., Banking Law and Practice, Sultan Chand and Sons, New Delhi

PAPER II: RURAL BANKING IN INDIA

Objective: This paper aims at acquainting students with a broad idea of rural economy, rural poverty, saving and investment pattern, and sources of fund for rural people.

Pedagogy: Two contract programmes, Reading material and assignments

Module-I: Features of Rural Economy in India and Karnataka –Size – Structure and issue – Relative importance of Agriculture, Industry, Trade and other Activities in rural area. Backwardness of Indian agriculture – production pattern in villages – Land tenure and methods of production – agriculture productivity – causes of low agriculture productivity, cause for backwardness – Effects of Backwardness – measures to set right backwardness.

Module-II: **Rural poverty** – meaning – Extent of rural poverty – Causes and Consequences – Eradication of poverty – Remedies – Eradication of Rural poverty during five year plan. Rural indebtedness - Causes and Consequences. Measures to solve the problem of rural indebtedness.

Module-III: **Saving Pattern in Rural India** – Causes for low saving in rural sector – Measures to promote rural savings – Mode of savings in rural India. Sources of Rural credit – non-Institutional sources –Money-lending –Friends and relatives – Government Sources and others.

Module-IV: **Institutional sources of rural credit** – Co-operative credit Agencies – Structure of Co-operation credit in India – Weakness of co-operative credit agencies. Commercial Banks and Agricultural finance – Weakness – land development Bank – Lead Bank Scheme.

Module-V: **Agricultural Refinance NABARD**–origin and development, Role and functions of NABARD – Management – Critical appraisal – Reserve Bank of India – Its role as an apex body – Agricultural credit department – direct and indirect lending approvals., Measures taken under 20 points programme in rural banking – recent trends in rural banking.

Reference:

1. All India Rural Credit Survey Committee report
2. All India Rural Credit Review Committee Report
3. S.N. Ghosal –Agricultural financing in India
4. Dr. S.G. Jain – Indian rural Economics
5. Dr. S.G. Jain – Economic Institutions of Rural upfit
6. John W. Meller –The Economics of Agricultural Development
7. Mamoraih –Agricultural problems of India.

PAPER III: LEGAL AND REGULATORY SYSTEM IN BANKS

Objective: To provide an understanding of the Banking System in India

Pedagogy: Two contract programmes, Reading material and Assignments

Module-I: Regulatory Framework: Central Bank –Evolution, Functions –Control of Credit, RBI Act, Role of RBI, Organization and Management, RBI Structure, Role of Central Bank in the Indian Financial System, Monetary Policy, Banking Regulation and Supervision.

Module-II: Banking Regulation Act, 1949; Negotiable Instruments and Negotiable Instrument Acts 1881–Negotiable Instruments –Holder, Holder in due course Negotiations and Endorsements. Crossing, Payments of Cheques, Collection of Cheques, Material Alteration; Dishonour of Cheques, Bills of Exchange Remittance –Demand Draft, Amendments of Negotiable Instruments Act, 2002.

Module-III: Banks Ombudsman: Role and functions of ombudsman, Banking Codes and Standard Board, Consumer Protection Act, Guidelines on Know Your Customer (KYC Guidelines); IBAs (Indian Banks' Association); Banking Anti Money Laundering Act (AML), Practice Guidelines, IBA's Model Policy on Bank Deposits, Floating Rate Deposits Accounts of Deceased Customer, RBI Directives on Deceased Accounts, Nomination Facility and Legal Representation, Introduction in Accounts, Pass Books and Statement of Account.

Module-IV: Capital Adequacy Requirements: Capital Adequacy of Banks, Capital Adequacy Norms, Capital Funds, Risks Adjustments Assets and Off Balance Sheet Items, Maintenance of CRAR (Capital to Risk Asset Ratio), Solving Problems, Basel I, II and III Frame work, Impact of Basel norms on Indian Banking, Prudential Norms, Capital Adequacy, Income Recognition, Asset classification, Statutory Requirements –Need for Reserve Requirement, Computation of CRR/SLR, Constituents of SLR/CRR.

Module-V: Ethics and Corporate governance in banks: Ethics – An Overview , Ethical and Unethical Issues , Business Ethics ,Code of Ethics , Ethical aspects in Human Resource Management ,Ethical aspects in Marketing Management ,Ethical aspect in Financial Management ,Desired Ethical Practices and Corporate Governance , Corporate Social Responsibility in the Financial Sector , Role of the Board of Directors ,Disclosure New Clause ,Basel Committee Recommendations , Auditors' Certificate on Corporate Governance, Role of Chairman and/or CEO.

References:

1. Desai Vasant., Principles of Bank Management, Himalayan Publishing House, Mumbai
2. ICFAI., Indian Banking System
3. IIBF, Mc.Millian- Principles of Banking
4. Sunderaram and Varshney., Banking Theory, Law and Practice, Sultan Chand and Sons
5. ICFAI., Retail Banking

PAPER IV: RURAL BANKING AND FINACIAL INCLUSION

Objectives: The Main objective of the course is to introduce to the students the concept and understanding on importance of rural finance and its different dimensions.

Pedagogy: Two contact programmes, Reading material and assignments

Unit-1 Rural Finance: Meaning and importance of rural finance, present situational overview, perspective of rural finance, Rural Agriculture finance, sources, meaning of rural client and their financial need, Financial service needs of rural customers.

Unit-2: Financial Inclusion: Meaning, need, Objectives, opportunity, Contemporary models and recent experiment, Theory of three pillars, New Banking Paradigm, bank initiatives, challenges. Financial Exclusion: meaning, causes, importance of financial literacy, No frill accounts.

Unit-3: Agriculture Finance: Meaning, Overview of Agriculture finance in India, demand side of AF, supply side of AF, and challenges in expanding AF, Recovery problems, NPAs.

Unit-4: Microfinance Models: Role of micro finance in financial inclusion, Co-operatives , operation and reforms, PACS, Micro Insurance –Benefits and Challenges, commercial bank

Policies and objectives before and after nationalization of banks, Branch expansion policy and programmes. Regional Rural Banks (RRBs)- Growth and Development, objectives, functions, progress and achievements.

Unit-5: Rural Entrepreneurship: Entrepreneurship: Growth and trends in India. Rural entrepreneurship, Entrepreneurial Motivation and Competencies –Experiences. MUDRA – its objectives, need and functions. Entrepreneurship Development Programme in India: Planning, Implementation and Evaluation.

References

1. Veerashekharappa, Institutional finance for rural development, Rawat publishing, Jaipur and Delhi.

2. K.Subramaniam and T.K. Velayudham, Banking reforms in India, Tata Mcgraw-Hill publishing Co. New Delhi.

3. Rais Ahmed, Rural banking and economic development, Mittal publications, New Delhi.

4. Tushaar Shah, Catalyzing cooperation: design of self-governing organization, Sage publications.

PAPER V: TECHNOLOGY FOR RURAL BANKING

Objective: To introduce students to Tools and Techniques of Information Technology and to equip them to make optimal managerial decisions

Pedagogy: Pedagogy: Two contract programmes, Reading material and assignments

Module-I: History Perspectives –Manual to Mechanical, Mechanical to Computer, and Hardware, Software; Impact of Technology on Banking Industry –Hardware and Software – MS Word, MS Excel; Core banking; Data Warehousing; and E-Treasury.

Module-II: **E-Banking Services**: Different Delivery Channels (DDC), Anywhere Banking, ATM, Internet Banking, Mobile Banking, KIOSK; HRM Packing; Accounting Packages for Government Accounts; E-Procurement; Trade Finance; Security Trading; and Branch Banking.

Module-III: IT and Communication Systems – Important features Communication, Networks in Banking System, Automated Clearing Systems , Clearing House Inter-bank Payment System (CHIPS) Electronic Fund Management , Electronic Clearing System (ECS) ECS – Important aspects/ features ,Real Time Gross Settlement (RTGS) ,National Electronic Funds Transfer (NEFT)

Module-IV: **Indian Financial System Code (IFSC)** -Automated Teller Machines (ATMs) ,Internet Banking Core Banking Solutions (CBS), Computerization of Clearing of Cheques , Cheque Truncation System (CTS) ,Internet and Supply Chain Management ,International Payment Systems , xvii Page Role of Central Bank in Payment Mechanism , RBI – Payments and settlements System , Digital Certificate and Digital Signature.,

Module-V: **Cyber Crimes and Fraud Management:** Cyber Crimes, Classification of Cyber Crimes, Financial Crimes, Integrated Communication Network for Banks Security and Control Systems, Information System Security (ISS), Information Technology Act, 2000 & other Relevant Acts.

Reference:

1. Award E.M., System Analysis and Design, Galgotia Publications, New Delhi
2. Sadagopan S., Management Information System, PHI, New Delhi
3. Simkin M.G., Introduction to Computer Information System for Business, S.Chand and Co., New Delhi
4. Lucas, Henry C., Information Technology for Management, McGraw Hill, International Edition

PAPER VI: CREDIT MANAGEMENT IN BANKS

Objective: To acquaint the students with the Policy of Bank Lending and various Techniques Used in Lending and Managing Credit

Pedagogy: Pedagogy: Two contact programmes, Reading material and assignments

Module-I: **Annual Policy Statement of RBI**; System of Delivery of Bank Credit, Credit Syndication, Exposure Limits and Group Approach, Credit Information Bureau, Fair Practices Code for Bankers as Lenders, Bench Mark Prime Lending rates (BMPL), IBA Guidelines on benchmark PLRs, Bank Rate, and Credit Risk Assessment.

Module-II: Priority Sector Advances: Goals and Targets in priority Sector, Weaker Section, Loan Limits to various segments under priority sector, Rural Infrastructure Development Funds, Common RBI Guidelines for Priority Sector Advances, Education Loans Scheme, Micro Credit, Self Help Groups, Finance to Small Scale Industries Operations Guidelines (SSIs), Nayak Committee Recommendations, Khadi and Village Industries (KVI), Margin Money Scheme, Credit Linked Capital Subsidy Scheme, Revised Kissan Credit Card –Agriculture Business –Law based and Non law based, Production and Investment Credit in Agriculture-Intensive Agriculture credit operations –Finance.

Module-III: **Securitization/Enforcement of Security Act, 2002** (SARFESI Act), Rehabilitation of Stick SSI Units, Corporate Debt Restructuring (CDR) Forum, One Time Settlement System, Sales/Purchase of NPAs; Debt Recovering Tribunals (DRT); Asset Reconstruction Corporation (ARC), and Compromise Settlements and Lok Adalat.

Module-IV: Basic Principles of Lending: Classification of Securities, Features of good Securities Margin, DP, Insurance, Pre-sanction Appraisal, Working Capital Finance, Project Appraisal and Term Loan Sanction, Non-fund Based Facilities Guarantees, third Party

Guarantee as Security for Loans, Various kinds of Charges on Securities, Hypothecation, Pledge, Assignment, Mortgage, Loan to Companies, Loan Documentation, Stamping of Loan Documents, Registration of Loans Documents, Limitation in Credit Facilities.

Module-VI: **Lead Bank Scheme**: Lead Bank/Service Area Approach, Rashtriya Krushi Prima Yojna, Agriclinic and Agri Business Center, General Definitions to Priority Sector, Classification of Priority Sector Advances, and Differential Interest Rate Scheme.

Reference:

1. H.L.Bedi and Hardikar., Practical Banking, UBSPD
2. Shekar and Shekar., Banking Theory and Practice, Vikas Publications
3. Timothy W Kochi, Scott., Bank Management, Thomson