

MBAS 411: BANK MANAGEMENT

Workload	: 4 hours per week. - Total credits: 4
Examination	: 3 hours, 30 marks continuous evaluation and 70 marks final examination
Objectives	<ol style="list-style-type: none">1. To describe the nature of banking system in India.2. To study the reasons behind nationalization of banks and privatizations of banks.3. To study the evolution of Central Banking System4. To describe banking functions and services5. To study risk management in bank management.6. To study the problems and the present status of Non-Performing Assets.7. To study the liberalization in financial services and trends in electronic banking.
Course Outcome	After completion of the course the students will be able to: <ol style="list-style-type: none">1. Able to understand the nature of banking system in India.2. Able to understand the need for privatizations of banks.3. Able to perform the banking functions and services4. Able to manage the risk management in banks.5. Capable of handle the problems and the present status of Non-Performing Assets.6. Able to cope up with liberalization in financial services.7. Able to adopt to the changing trends in electronic banking.
Pedagogy	: Lectures, assignments, practical exercises, discussions, seminars.

Module 1: Introduction: Nature of Banking System in India, Types of Banks, Functions of Banks. Constituents of the Indian Banking System, New generation Banks, Productivity and profitability in Banks-MIS in Banks- Customer Service, Quality circles in Banks, Relationship Banking, Social and Ethical Issues in Banks– Recent Trends. Bank Nationalization and Social Banking Concept, Financial Sector Reforms from Basel I, II & III. Establishment of Payment Banks, Small credit Banks and MUDRA Bank

Module 2: Origin and Evolution of Central Banking System, RBI - its objectives and related functions, Other apex institutions like NABARD, NHB, SIDBI EXIM Bank Deposit Insurance Corp. Rating of Banks, New format of Prompt Corrective Action, Best Practices Code and Banking Code Standard Board of India, Corporate governance, Banking Ombudsman Scheme

Module 3: Commercial Banks: Principles of Sound Banking Functions and Services of Indian Banks. Retail Banking and Wholesale Banking, Core Banking Services, Financial Intermediation – Recent trends

Module 4: Risk Management :Mismatch between Assets and Liabilities- source of risk, credit analysis, overall risk of a bank, Types of Risk, Interest sensitive Assets, credit Risk, Interest Rate Risk, Liquidity risk and operational risk, Derivatives, treasury function, Monitoring risk, RBI Guidelines for Risk Management, Risk Management Systems

Module 5: Non-Performing Assets and Income Recognition: Introduction, Provisions for NPA, effects reasons for Assets bellowing NPA, Tackling with NPA. NPA Management, Income recognition, Asset classification, Provisioning Norms, Recovery Policy and management, Non-legal methods of recovery, Lok Adalats, Recovery through legal process, DRT, SARFIESI, OTS, Holding recovery camps, Bankruptcy code. Etc.

Module 6: Liberalization in Financial Services: Need of Reforms in Banking structure, Different Phases of Indian Banking, Committees on Reforms in Banking Sector, Narasimham Committee, Verma Committee Recommendations, Challenges Ahead of Indian Banking. Mergers and Acquisitions in Indian Banking system, International Banking Trends, Operation of Indian Banking abroad.

Module 7: Electronic banking, Genesis of computerization in India, Core Banking, Banking channels, Types of ATMs, SMS Banking, Mobile Banking, Internet Banking, Cheque truncation, Debit cards, Credit cards, Smart cards, Modes of remittance, Mail transfer, Mobile payment, USSD,NUP, AEPS, IMPS, Mobile wallets like Paytm, BHIM,UPI, NEFT, RTGS, ECS, SWIFT, Payment systems like EBT, OLTAS, EASIEST, Online application for loans, Account opening hubs, Signature scanning, Digital signature, Business correspondents, Branchless Banking (Door Step Banking). Visit to a Branch to observe Digital Banking functions and day to day functions

Module 8: Financing Priority Sector: Targets for funding to priority sector, credit guarantee schemes, SSI loan guarantee schemes, guidelines for financing priority sectors. Kinds of borrowers in the priority sector, Lending procedure for Agriculture loans, guidelines for recovery of Agriculture advances, Rashtriya Krishi BimaYojna, Kisan Credit Card Scheme, Small Farmers Development Agencies. Ancillary Services of the Bank.

Reference Books:

1. Banking and Financial Services- Mukund Sharma, Himalaya publishing, 2015.
2. Management of Banking and Financial services- Padmalatha&JustinPaul, Pearson
3. Banking Law and Practice by P. N. Varshneya, Sultan Chand and Sons.
4. Indian Institute of Banking & Finance, Risk Management in Banks, 2010, Macmillan Publishers India Ltd.
5. K Vaidyanathan, Credit Risk Management for Indian Banks, 2013, SAGE Publications India Private Limited.
6. Gopinath M.N, Banking Principles and Operations.
7. International Banking by IIBF – Macmillan Publications.
8. K.C. Shehkar and Lekshmy Shekhar K (2005): *Banking Theory and Practice*, Vikas Publishing House Pvt. Ltd., New Delhi.
9. R. Machiraju (2001), *Modern Commercial Banking*, Vikas Publishing House Pvt. Ltd., New Delhi.
