

B.Com(Hons.): Semester-V

DSE

BCM543: Banking and Insurance

| Teaching Scheme | Examination Scheme |
|----------------------|------------------------------|
| Lectures: 4hrs/Week | Class Test –12Marks |
| Tutorials: 1.hr/Week | Teachers Assessment – 6Marks |
| | Attendance – 12 Marks |
| Credits: 5 | End Semester Exam – 70 Marks |

Course Objective

The course exposes students to theory and analytical understanding of the industrial sector of the economy. This course provides an introduction into the fundamental concepts, nature and scope of industrial economics followed by market concentration analysis. It also discusses productivity studies with reference to the Indian industries and impact of government policies on the Indian industries since independence

Course Learning Outcomes

After completing the course, the student shall be able to:

- CO1: understand the meaning and scope of Banking with functions of Banks and their role into banking
- CO2: familiarize with regard to operations of Banking and various services and benefits.
- CO3: develop insights on lending operations of banking and causes of NPA into banking sector.
- CO4: acquaint with the concept of Insurance through functions and fundamental principles of Insurance.
- CO5: understand the types of Insurance and Regulatory framework of Insurance.
- CO6: understand the concept and role of virtual banking in Banking System.

Unit I: Origin of Banking

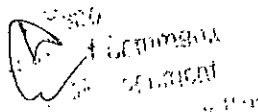
Definition and function of banks, banker and customer relationship, general and special types of customers. Types of Deposits: Types of banks in India; Role of Foreign Banks in India; Advantages and Disadvantages of Foreign banks, Road Map for Foreign Banks in India; India's approach to Banking Sector reforms; Achievements of financial sector reforms and areas of concern, Credit Allocation Policies of Commercial banks, Credit Market Reforms.

Unit II: Operations of Banking

Cheque: definition, features and types of cheque; Endorsement: meaning and essentials of a valid endorsement; types of endorsement; Era of Internet Banking and its benefits, Mobile Banking, Home banking, Virtual Banking, Electronic Clearing System (ECS), E-Payments, Electronic Fund Transfer (EFT), E-money, Safeguard for internet banking, Critical comparison of traditional banking methods and e-banking; Balance Sheet of a Bank; special items of a Balance Sheet, off Balance Sheet Items; Anti-money Laundering Guidelines.

Unit III: Loans and Advances

Principles of sound lending, Types of loans and advances, Advances against various securities; Securitization of Standard Assets and its Computation; Basel Accord: merits and weaknesses of the Basel II, Basel III; NPA: Meaning, causes, computation, assessment and Impact of NPAs on Banking Sector, Insolvency and Bankruptcy Code 2016; objectives & features.



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Unit IV: Concept of Insurance

Characteristics, Functions of Insurance, Fundamental Principles of Insurance: Indemnity, Insurable Interest, Utmost Good faith, Proximate Cause, Contribution, Subrogation, Economic Function; Reinsurance and Co-insurance: features, objectives, methods; Bancassurance: features, merits

Unit V: Life and Non-Life Insurance

Types of Insurance, Life and Non-Life: Features, needs, policies of different types of Insurance, Control of Malpractices and Mis-selling, Negligence, Loss Assessment and Loss control, Computation of Insurance Premium, Dematerialisation of Insurance Policies; Regulatory Framework of Insurance: IRDA Act 1999; Objectives of IRDA, Composition of IRDA, Duties, Powers and Functions of IRDA; Role of IRDA: Delegation of Powers, establishment of Insurance Advisory Committee, Power to make Regulations.

Suggested Readings

- Mishra, M.N. Principles and Practices of Insurance. Sultan Chand and Sons.
- Suneja, H.R. Practical and Law of Banking. Himalaya Publishing House.

Additional Readings

- Gupta, P.K. Insurance and Risk Management. Himalaya Publishing House
- Agarwal, O.P. Banking and Insurance. Himalaya Publishing House
- Jr. Black, Kenneth & Jr. Skipper, Harold. Life and Health Insurance. Pearson Education
- Vaughan, E.J. and Vaughan, T. Fundamentals of Risk and Insurance. Wiley & Sons.

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