

CE 101 E Fundamentals of Banking - 1

Objectives :

The main objectives of this course is to introduce the students to the basic concept of banking as a financial intermediation service and bank as a financial institution.

Outcome:

After this course the students would have the fundamental knowledge of banking as service and bank as an institution which would form the basis for courses related to more areas of banking and insurance in following semesters.

Unit 1

History of Banking, Brief History of evolution of banking in India, Definition of Banking, Different types of commercial banks.

Unit 2

Definition of a bank customer, different types of bank accounts, their main features, process of opening of accounts of individuals, partnership firm, joint stock companies, HUF's, Institutions, Single holder and joint holders, Trusts, Co-operative societies, government and other public bodies.

Unit 3

Traditional functions of a bank, forms of deposits in current accounts, saving accounts, fixed deposits, recurring deposits, credit creation function of banks, types of credit facilities, overdraft, cash credit, demand loan, term loan, purchase/discount of bills, letters of credit, letters of guarantee, personal loans, housing loans, educational loans and vehicle loans.

Unit 4

Concept of negotiable instruments, characteristics of negotiable instruments, promissory notes, bills of exchange and cheques and their salient features, main features of cheques as negotiable

instruments, payment through cheques, liabilities of paying and collecting banks, crossing of a cheques.

Recommended Reading:

1. Basics of banking and Finance, K.M.Bhattachatya and P.Agrawal, Himalaya Publishing House
2. Banking theory and practice, Premkumar Shrivastav, Himalaya Publishing House
3. Banking theory Law & Practice, Gordon-Natrajan, Himalaya Publishing House
4. Basics of Banking, Indian Institute of Banking and Finance, Taxman Publication
5. Pricipals of Banking, Indian Institute of banking and Finance, Mackmilan India Ltd.

