

FIN203:COMMERCIAL BANKING

L:3 T:1 P:0 Credits:4

Course Outcomes: Through this course students should be able to

CO1 :: appraise the products & services under Indian banking system

CO2 :: contrast the different investment avenues available for commercial banks and its impact on liquidity and risk

CO3 :: evaluate the contributions of commercial banks for economic development

CO4 :: evaluate the role of digital banking FinTech integration artificial intelligence and emerging technologies in enhancing banking services

Unit I

Indian banking system : banking structure in india, role of reserve bank of india, KYC norms, cash management, role of development banks, role of specialized agencies

Unit II

Bank deposit accounts : introduction to bank deposits, types of deposit accounts, strategies of mobilizing deposits, common guidelines of opening and operating deposit accounts, deposit related services, deposit services offered to non-resident indians, deposit insurance

Unit III

Basics of bank lending : principles of lending, loan policy, basics of loan appraisal, credit decision-making, credit review, types of advances, non performing assets, management of non performing assets, unified lending interface

Unit IV

Bank investments : investment policy, statutory reserve requirements, non-SLR investments, bank's investment classification, bank's investment valuation norms, credit risk, concentration risk, liquidity risk, off-balance sheet risk

Unit V

Relationship between bank and customer : strategy for expanding customer base, services to different customer groups, competition amongst banks for customers, customer relationship management, banking ombudsman scheme, prevention of money laundering act (PMLA), 2002, chatbots & virtual assistants, credit scoring models, robo-advisory, complaint management system

Digital banking channels : internet banking, mobile banking apps, ATMs and kiosks, UPI and digital payments

Unit VI

Other activities of commercial banks : other basic banking activities, para-banking activities, role of digital banks and fintech and neo bank, cross border transactions, smart contracts

Evolving trends in modern banking : technology in banking, outsourcing of non-core activities, financial inclusion, marginal cost of funds based lending rate, fraud detection using AI, customer service personalization using AI, ESG and sustainable banking, green finance

FinTech integration in banking : digital wallets, peer to peer lending, open banking APIs, two factor authentication

Text Books:

1. COMMERCIAL BANK MANAGEMENT by KANHAIYA SINGH, MC GRAW HILL

References:

1. BASICS OF BANKING AND FINANCE by DR. K M BHATTACHARYA, O P AGGARWAL, HIMALAYA PUBLISHING HOUSE PVT. LTD
2. BANKING THEORY AND PRACTICES by DR. P K SRIVASTVA, HIMALAYA PUBLISHING HOUSE PVT. LTD

