

SCHOOL OF COMMERCE
Devi Ahilya Vishwavidyalaya, Indore

Subject Scheme and Syllabus

M.COM. (BANK MANAGEMENT)

Semester-1 (July to December)

MBM-1011	ACCOUNTING FOR MANAGERS
MBM-1021	BANKING LAW & PRACTICE
MBM-1031	FUNDAMENTALS OF BANKING SYSTEM
MBM-1041	MANAGERIAL ECONOMICS
MBM-1051	QUANTITATIVE METHODS FOR BUSINESS
MBM-1061	COMPUTER APPLICATION IN BUSINESS

MBM - 1011

ACCOUNTING FOR MANAGERS

Objective

The objective of the subject is to acquaint students with concepts of Financial and Cost Accounting and help them acquire the ability to develop and use the accounting data as an aid to decision making.

Course Contents:

1. **FUNDAMENTALS OF FINANCIAL ACCOUNTING:** Meaning and definition of accounting, Need and functions of accounting, users of accounting information, importance and limitations of accounting, Relationship of accounting with other disciplines, Accounting Principles-Concepts and Conventions, An introduction to Accounting Standards and US GAAPs.
2. **DOUBLE ENTRY SYSTEM OF ACCOUNTING:** Concept and definition, Process of Accounting, various stages of DES accounting: Journal, Ledger, Trial Balance, Preparation of Final Accounts, Adjustments in Final A/cs., Preparation of Final A/cs. With adjustments, Numerical Problems.
3. **FUNDAMENTALS OF COST ACCOUNTING:** Concept of Cost, Classification of Cost, Elements of Cost, Need for Cost accounting, Advantages and Limitations of Cost Accounting, Various techniques of Cost Accounting, Installation of Cost Accounting system, Cost reduction, Cost Control and Cost Management, Components of Total Cost, Preparation of Cost Sheet, Numerical Problems.
4. **INTRODUCTION TO MANAGEMENT ACCOUNTING:** Introduction to Management Accounting, Balance Sheet & related concepts, Profit/Loss account & related concepts, Needs, Importance and Limitations of Management Accounting, Difference between Management, Cost & Financial Accounting.
5. **ANALYSIS OF FINANCIAL STATEMENTS:** An overview of Financial Statement Analysis, Objectives, Methods and Importance, Ratio Analysis, Funds Flow Analysis, Cash Flow Analysis, Numerical Problems.
6. **COST ANALYSIS AND DECISION MAKING:** Marginal, Absorption and Differential Costing, Break Even Analysis & CVP Analysis. Budget, it's meaning & types, Fixed & Flexible Budgets, Preparation of various types of Budgets, viz: Cash Budget, Production Budget, Sales & Revenue Budget Flexible Budget, Standard Costing and Variance Analysis.

TEXT BOOKS: Financial A/c for Management by Ambrish Gupta(Pearson Education)

Accounting for Managers by M.E.Tukaram Rao (New Age)

Management Accounting by S.P.Gupta (Sahitya Bhawan, New

Delhi)

- REFERENCES BY:**
1. I.M.PANDEY
 2. S.K. BHATTACHARYA
 3. KHAN & JAIN

MBM - 1021
BANKING LAW & PRACTICE

Objective: To make the students to know the law relating to banking transactions.

Unit I : Evolution of Banking legislation in India – Major provisions of Reserve Bank of India Act, 1934, Banking Regulations Act, 1949. and Banking Companies (Acquisition and transfer of undertaking) Act, 1970 & 1980.

Unit II : Negotiable Instruments – Promissory notes, Bills of exchange and Cheque, Special features these instruments, Material alternations, Endorsement.– Rights and Liabilities of parties to Negotiable Instruments.

Unit III : Paying banker – duties & responsibilities of paying banker. Statutory protection to paying banker, effect of forgery of customer's signature, payment in due course .

Unit IV: Collecting banker - Duties & responsibilities of collecting banker. Statutory protection to collecting banker. Holder in due course, Crossing of Cheques. Law relating with Bouncing of Cheques due to insufficient funds in account.

Unit V: Laws related with charging of securities to bank – Hypothecation, Pledge, Mortgage, Lien, Assignment. Registration of Charges. Stamp Law for documentation.

Unit VI : Recovery Laws – SARFAESI Act, Debt. Recovering, Tribunals, Lok Adalat.

Unit VI: Redressal of Grievances – Banking Ombudsman.

Books for Reference:

1. M.L. Tandon – Banking Law and Practice in India
2. S.S. Gulson & Kapoor – Banking Law and Practice
3. H.P. Sheldon – Practice and Law of banking.
4. T.N. Chobra and Tanega – Law and Practice of banking.

MBM -1031
FUNDAMENTALS OF BANKING

Objective: To provide an understanding of the nature and functioning of banks.

Course Inputs-

Unit I : Nature of Banking Business: Bank, Definition of Banking, Types of Banks working in India. Banks and other financial institutions in India; Objectives & Functions of Banks, Social & economic obligations of bank in India; An overview of Monetary system in India.

Unit II : Organization and Management Banks: Fundamental Organizational structure of Commercial Bank in India, Types of Banks.

Unit III : Banker and customer : Concepts & Definitions, Banker -Customer relationship, Types of customers, special types of customers , opening of new accounts, KYC norms and precautions to be taken before opening new accounts.

Unit IV : Deposits: Types of Deposit accounts – Current a/c, Savings a/c, Term Deposit a/c, Special Term deposit, Annuity deposit (Recurring Deposit) a/c. Other Services provided by Bank such as Remittances, Collection, Safe Deposit Lockers, Safe Custody. Modern Banking Products – Teller System, single Window, ATM, Coin Dispensers etc.

Unit V : Employment of Funds: Loan, Cash credits and over Drafts – Advances Against documents of title of goods. Pledge, Hypothecation and Mortgage. Advances against securities FDR, shares, Debentures, Life Assurance policies, Movable and other immovable properties. Non Fund Based credit facilities – Letter of Credit & Bank Guarantee.

Unit VI : Recent Developments and Current Issues of Bank: Wholesale Banking, Retail Banking, Housing Finance, Vehicle Loan, Education Loan, Personal Loans, Non Performing Assets, Income recognition, Assets Classification & Provisioning norms. Retail Banking, Merchant Banking, Core Banking, Automation of Banks.

Book for Reference-

1. **Banking Law & Practices in India,-M.C. Tandon**
2. **Banking Law & Practices – S.S. Gulsan & Kapoor**
3. **Practice & Law of Banking – H.P. Sheldon.**

MBM – 1041
MANAGERIAL ECONOMICS

Objective: The objective of this course is to familiarise the students with the laws of economics in relation to practical life of economy.

Course Inputs

1. Basic concepts in Managerial Economics. Role of economics in Management.
2. Laws of demand and supply, Elasticity of demand, Supply and substitution.
3. Laws of Returns to scale and factors, Economies of scales.
4. Different market structures, Perfect Competition, Price Out and Determination, Individual firm's Equilibrium, Monopolistic Competition-Meaning and Price Determination, Price Determination under different Oligopolistic Market structures, Managerial theories of firm.
5. Basic concept and estimation of GDP, GNP and NI; Consumption Saving and Investment Function, Income Determination in open and closed Economy.
6. Components of Money supply and Money Multiplier, Monetary and Fiscal Policy – Objectives and Instruments, Inflation, Stagflation, Recession and Trade Cycles.

MFC 1051

Quantitative Methods for Business

Objective:

The objective of this course is to provide application and uses of statistical methods and quantitative analysis in business and decision making.

Course Inputs

UNIT 1 :Introduction

Definition and scope of statistics, Application of Statistics, Limitation and distrust of statistics, primary and secondary data, primary data collection Methods, Sources of secondary data, sampling and methods of sampling.

UNIT 2 : PRESENTATION OF DATA

Meaning of Diagrammatic presentation, Importance of diagrams, Limitation of diagram, Method of diagram Diagrammatic presentation of data : One dimensional(Simple bar diagram, Double bar diagram, Multiple bar diagram, Subdivided bar diagram), Two dimensional(Rectangle, Subdivided rectangle ,Square and Circle diagram) and Three dimensional diagram , Uses of diagram in different sectors of business.

UNIT 3 : Measure of central tendency and dispersion

Meaning of average, object of averages, Problems of different averages : Mean, Geometric mean, Harmonic mean , Mode and Median of in different series, merit and demerit of mean, median and mode. Partition values, relation between partition values. Uses of different averages. Dispersion – Meaning, Properties of dispersion, measures of dispersion, Range, Inter quartile range, Quartile deviation, Mean deviation.

UNIT 4 : Probability theory

Definition of probability, Importance of concept of Probability, additive and multiplicative theorem, Law of probability, Bay's theorem.

UNIT 5 : Correlation and regression Analysis:

Definition and significance of correlation and regression, Karl Pearson's coefficient of correlation, simple regressions multiple and partial correlation, Regression lines and finding equations regression lines, Multiple regression s, Spearman's rank correlation.

MBM 1061

Computer Applications in Business.

Objective

The Objective of this course is to provide an understanding of computers, computer operating system, and application of relevant software's in managerial decision making.

Course Inputs

1. **Computer Hardware:** Computer system as information processing system; Computer system differences-types of computer system, hardware options CPU. Input devices, output devices, storage devices, communication devices, configuration of hardware devices and their applications.
2. **Personal Computers:** PC and its main components, hardware configuration, CPU and clock speed, RAM and secondary storage devices, other peripherals used with pc; Factors influencing PC as a virtual office.
3. **Modern Information Technology :** Basic idea of Local Area Network (LAN) and Wide Area Network (WAN); E-mail Internet technologies, access devices, concept of a world Wide Web and Internet browsing; Multimedia.
4. **Introduction to Operating system:** Software needs, operating systems, application soft wares, programming languages; DOS windows-window explorer, print manager, control panel, paint brush, calculator, desktop ,my computer, settings, find run; UNIX.
5. **Word processing:** Introduction and working with MS-Word in MS Office; Word basic commands; Formatting text and documents; sorting and tables; working with graphics; Introduction to mail-merge.
6. **Spread Sheets:** Working with EXCEL- formatting, functions, chart features; Working with graphics in Excel; using worksheets as database in accounting, marketing, finance and personal areas.

Presentation with Power-Point: Power-point basics, creating presentations the easy way; Working with graphics in Power-point; Show time, sound effects and animation effects

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Subject Scheme and Syllabus

M.COM. (BANK MANAGEMENT)

Semester-2 (Jan to June)

MBM-2011	SPECIAL ACCOUNTING FOR BANKING FIRM
MBM-2021	COMMUNICATION SKILLS FOR BANKERS
MBM-2031	MACRO ECONOMIC ENVIRONMENT AND BANKING
MBM-2041	FOREIGN TRADE & BANK FINANCE
MBM-2051	HRM IN BANKS
MBM-2061	E-COMMERCE

MBM-2011
SPECIAL ACCOUNTS FOR BANKING FIRM

Course Objective: - The objective of this subject is to equitant with the knowledge of Accounting procedure and system for Banking Companies.

Course Inputs

Unit 1. **NI Act-** With special reference of Bill of Exchange(Definition, types,Bill Transactions); Bill Transactions; Accommodation bills; Dishonor of Bills and Noting & Protesting of bills.

Unit II. **Advancing Functions of Banks:**

Contingent Liabilities: - Bank guarantees; letter of credit ;partly paid investments; Acceptance, Endorsements and other obligations; Claims against bank not acknowledged as debts.

Bill for Collection; Advances under collection, Loan written off and

parked.

Advances:- Debtors and Creditors relationship; Classification & provisioning (IRAC) on assets as per RBI norms. Prudential norms for advances. Maximum permissible finance to individual and groups.

Unit III. **Special Accounts:** Bank Reconciliation Statement. Consortium finance,

Hire Purchase and Installment system; Present value.

Unit IV. **Financial Accounting for Bankers:**

Final Accounts of Banking Companies: Profit & Loss Account; Income of Banking Companies, Charges & other expenses., Profit and Loss appropriation Account.

Balance Sheet:- Capital; Reserves and Surplus; Specific Reserve;

Statutory

Reserve; General Reserve and other reserves. Deposits, Borrowings,

other

liabilities and Provisions.

Assets:- Cash and Bank Balance; Money at call and short notices; Investments; Advances, Fixed assets, other assets.

Unit V. **Treasury management:** SLR and CRR maintenance including investment Portfolio.

Books for Reference:

1. Dr.S.M.Shukla

MBM 2021

COMMUNICATION SKILLS FOR BANKERS

Objective: The object of this subject is to familiarize and develop an understanding of tools & techniques for effective business communication skills in banking sector.

Essentials of Grammar and Introduction to communication : Parts of Speech, Punctuation, Vocabulary Building, Phonetics. Introduction to Official Documentation and Business Communication Basics, Concepts of Business Communication,

Presentation Skills: Importance of Presentation Skills in Banking Service, Capturing Data, Voice & Picture Integration, Guidelines to make Presentation Interesting, Body Language, Voice Modulation, Audience Awareness, Presentation Plan, Visual Aids, Forms of Layout, Styles of Presentation.

Group Discussion & Presentation: Basic Concepts of Group Discussion, Types of Group Discussion, Preparation for Group Discussion, Process of Group Discussion, Category of Topics in Group Discussion, What is observed in Group Discussion. Critical Success Factors in Group Discussion, Overcoming Mistakes in Group Discussion.

Resume Writing and Interview Preparation: Writing a Resume and Covering Letter; Do's & Don'ts, Helpful Hints, Types of Interview, Preparing for the Interviews, Attending the Interview, Over-coming Common Mistakes in Interview, Confidence Building. Interview Process, Employers Expectations, General Etiquette, Dressing Sense, Postures & Gestures

Communication Needs in Bank Management: Types of Correspondence, Receipt and Dispatch of Mail, Filing Systems, Classification of Mail. , Role & Function of Correspondence in functioning of Banks, Managing Computer for Communication needs. Procedure of Filing and File movements, E-filing.

Letter & Application Writing: Types of Letters-Formal / Informal, Importance and Function, Drafting the Applications, Elements of Structure, Writing an Application; Do's & Don'ts, Helpful Hints, Official Letters, Memos, Notice, Circular, Letter Relating to Personnel Department, Correspondence with Banks, E-Mails, Fax, etc.

Suggested Readings

1. Business Communication Today- Bovee, Thill, Schwatzman, Pearson Education.
2. Business Communication Concepts, Cases and Applications- P.D. Chaturvedi, Mukesh Chaturvedi.
3. Communication for Business- Shirley Taylor, 3rd Edition, Pearson Education.
4. Letitia Baldrige's New Complete Guide to Executive Manners.
5. Business and Management Chronicle- Jan, 2006.
6. KAUL – Business Communication (PHI)

MBM-2031

MACRO ECONOMIC ENVIRONMENT AND BANKING

Unit 1

Macro-economic Environment: Macro Economics analysis, Goals of Macro Economic Policies, Basic Macro Economic Concepts for open Economy Balance of Payments, current and Capital account, Official reserve account, Balance in BOP. Economic Roles of Government.

Unit 2

Financial Environment: Financial Institution, RBI, Stock Exchange, Non Banking Financial institution, Capital Market Reform and Development.

Unit 3

Money and Interest Rates Money and its role, measures of demand and supply of money, money multiplier, interest rate and IS-LM framework

Unit 4

Monetary and Fiscal Policies Objectives and Instruments of Monetary and Fiscal Policies, Analysis of the policies in Indian Economy

Books Recommended:

1. Francis, Cherunillam : Business Environment and Government (HPH.)
2. Adhikary, M : Economic Environment of Business (Sultan Chand)
5. Michael V.P. : Business Policy and Environment (S.Chand)

MBM-2041
FOREIGN TRADE AND BANK FINANCE

Objective

The objective of this course is to acquaint students with the theoretical framework of international trade policy and trade promotion measures, especially with reference to India.

Course Inputs:-

1. **International Trade** : Theories of foreign trade- absolute and comparative advantage theories; Modern theory of trade – Hecksher-Ohlin theory; terms of trade; Theory of international trade in services; Balance of payments mechanism.
2. **Commercial Policy Instruments:-** Tariffs, quotas, anti dumping/ countervailing duties; Technical standards; Exchange controls and other non – tariff measures.
3. **Trends in World Trade** :- Direction and composition of world trade.
4. **India's Foreign Trade and Policy:-** Direction and composition of India's foreign trade; Export-Import policy; Export promotion and institutional set-up; Deemed exports; Rupee convertibility; Indian joint ventures abroad; Project and consultancy exports.
5. **Instruments of Export Promotion** : Export assistance and promotion measures; EPCG scheme; Import facilities Duty drawback; Tax concessions; Marketing assistance; Role of export houses, trading house and state trading organizations; EPZs and SEZs.
6. **Foreign Investment Policy:** Policy and framework for FDI in India; Policy on foreign collaborations and counter trade arrangements; India joint ventures abroad; Project and consultancy exports.

References

1. Committee on Export strategy : Ministry of Commerce
2. Economic survey: Ministry of Finance, Gov. of India.
3. Gupta R.K. Anti – dumping and and countervailing Measures.
4. Import and export Policy: Ministry of Commerce.
5. Nabhi's Exporter's Manual and Documentation.
6. Report of working group on Export House: Ministry of Commerce.
7. Sodersten, B.O. : International Economics.
8. Varshney, R.L. and B.Bhattacharya: International Marketing Management.
9. Verma. M.L.: International Trade.
10. World Development Report: World Bank.

BM-2051

HRM IN BANKS

Unit 1

Introduction: Meaning, scope, objectives and importance of Human Resource Management, HRM and HRD, Need of HRM in Banking Organizations. Organizing the Human Resource Management department in the organization; its functions, policies & roles. Role of HR Manager in Banks.

Unit 2

Human Resource Planning in Banks: Concept and Definition of HRP, Need, Methods, Techniques, objectives, process and importance, job analysis, description, specification, Recruitment, selection, placement and induction process. Performance management and appraisal systems; performance review and counseling;

Unit 3

Personnel Training and Development Programs in Banks: Employee training in Banks, Training Need Assessment & Evaluation Motivational impact, Skill up gradation, Competence building, role and impact of training; executive development and career path planning & development of Bank Employees.

Unit 4

Job Compensation to Bank Employees: Job evaluation, wage & salary administration, incentive plans & fringe benefits, variable compensation individual & group. Promotions, demotions, transfers, separation, absenteeism & turnover. employee feedback survey; Social security, health and safety and employee welfare for Bank employees.

Unit 5:

Key HR Issues in Banks: HRM and Information Technology; Information and database management; HR research; Knowledge Management, Self- development; personnel research and survey; HRM issues in banks.

Books Recommended:

- 1.Pattanayak – Human Resource Management. (PHI)
- 2.Kandula – Human Resource Management in Practice with 300 models, Techniques & Tools (PHI)
- 3.Personnel Management and Industrial Relations – R.S. Davar: Vikash Publishing House Pvt. Ltd.
- 4.Human Resource Management – Subba Rao: HPH

MBM-2061 **E-COMMERCE**

UNIT I

Introduction to E-Commerce – Electronic Commerce Frame work – Electronic commerce and Media convergence – The anatomy of E-Commerce Applications – Components of the I Way – Network Access Equipment – Global Information Distribution Networks – Internet Terminology – NSFNET : Architecture and Components National Research and Educational Network.

UNIT II

Electronic Commerce and World Wide Web: Architectural Frame work for E-Commerce– WWW Architecture – Hypertext Publishing – Consumer Oriented Applications –Mercantile Process Models – Consumer’s Perspective – Merchant’s Perspective – Electronic Payment Systems (EPS) – Types - Designing EPS - Smart Cards and EPS –Credit Cards and EPS.

UNIT III

Electronic Data Interchange (EDI) : Applications – Security and Privacy Issues –Software Implementations – Value Added Networks – Internal Information System –Work-flow Automation and Coordination – Customization – Supply Chain Management .

UNIT IV

Marketing on the Internet: Advertising on the Internet – Charting the On-Line Marketing Process – E-Commerce Catalogs or Directories – Information Filtering – Consumer-Data Interface: Emerging Tools.

UNIT V

Multimedia and Digital Video: Concepts – Digital Video and E-Commerce – Video Conferencing – Frame Relay – Cell Relay – Mobile Computing Frame Work – Wireless Delivery Technology – Cellular Data Communication Protocols – Mobile Computing Applications.

Books for Reference:

1. Frontiers of Electronic Commerce - Ravi Kalakota, Andrew Winston
2. E-Commerce- A Managerial perspective - P.T.Joseph
3. Designing Systems for Internet Commerce- G.Winfield Treese & Lawrence C.Stewart

4. E-Commerce The Cutting Edge Of Business - Kamelesh K Bajaj, Debjani Nag
5. E Business Road Map for Success - Dr.Ravi Kalakota, Marcia Robinson
- 6.E – Commerce –Srinivasa Vallabhan .S.V.

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Subject Scheme and Syllabus

M.COM. (BANK MANAGEMENT)

Semester-3 (July to December)

MBM-3011	FINANCIAL MANAGEMENT
MBM-3021	COMMERCIAL BANK MANAGEMENT
MBM-3031	RISK MANAGEMENT IN BANKING
MBM-3041	DEVELOPMENT & MERCHANT BANKING
MBM-3051	STATISTICAL ANALYSIS AND METHODOLOGY
MBM-3061	E-BANKING (Including mobile Banking)

MBM-3011

FINANCIAL MANAGEMENT

Objective

To enable the students to understand the importance of the subject through analysis and interpretation of financial statements & Application of Various Calculative Tools.

Course Inputs

Introduction:- Meaning Objective nature and scope of management accounting role of management accounting- relationship between financial accounting, cost accounting and management accounting accounting. Meaning and concept of financial analysis types & methods of financial analysis.

Ratio Analysis:- Meaning importance utility of ratios classification of ratios calculation of interpretation of ratios preparation of income statement and balance sheet with ratios.

Funds Flows and cash flow analysis:- Meaning concept of fund and funds flow statement uses and significance of funds flow statement procedure for preparing FFS schedule of changes in working capital statement of sources and application of funds Cash Flow analysis meaning and concept comparison between Funds Flow statements uses and significance of CFS-preparation of Cash Flow statement as per Accounting Standards.

Budgetary Control:- Meaning & Concept of Budgetary Control, Importance & Limitations, Types of Budgets, preparation of various types of Budgets, viz: Cash Budget, Production Budget, Purchase Budget, Sales Budget, Fixed Vs. Flexible Budgeting, Zero Base Budgeting.

CVP Analysis & profit Planning:- Concept of CVP analysis, Break Even analysis, Meaning & Concept, Graphical presentation of BEP, Assumptions & Limitations of BEP analysis, Numerical Problems. Meaning.

Leverage analysis: - Meaning & concept of leverage, operating, financial & combined leverages, calculation of various types of leverages, leverage analysis of corporate organization.

Standard costing & variance Analysis: Conceptual Framework.

MBM-3021
COMMERCIAL BANK MANAGEMENT

Objective:-

The course aims at developing understanding about the various functions operations and activities of banking institutions. The course also covers application of basic finance concept to management of Indian banking institutes.

Course Inputs:-

1. Bank's role as financial intermediaries, Basic principles of Banking.
2. **Evaluation of Bank performance** : Introduction and analysis of financial statements of banks operation in India. Non-interest incomes and non-interest expenses in Indian banks, Key performance indicators for banks CAMELS Ratings, alternative models of bank performance.
3. **Sources of Bank Fund I- Deposits and Non Deposits** : Basic concepts, types of deposits, deposit insurance, deposit pricing, non-deposit sources. Nomination facility of deposit accounts. Reserve requirement and computation of NDTL for banking system in India, Non deposits sources for banking system in India.
4. **Source of Bank Fund-II Capital:** Function of bank capital, Bank capital standards, Basel committee.
5. **Use of Bank Fund-I Lending** : Purpose, security and modes of credit delivery. Broad steps to credit analysis, risk classification criteria, Fixed vs floating rate, Legal Aspect of Lending, Prudential norms, Loan sales.
6. **Use of Bank Fund-I Investment:** Basic concepts, VaR, Banks investment portfolio in India.

Book for Reference :

1. "Management of Banking"-S.Scot Mc Donald & Timothy W. Koch, Thomson.
2. "Management of banking & Financial Services" Justine Paul and Padmalatha Suresh, Person education.
3. "Financial Institutions & Markets" L.M. Bhole, Tata Mc Graw Hill Publishing company, New Delhi.
4. "Bank Financial Management " SN Swastikar, Taxmann Publication PVT.Ltd.

MBM-3031
RISK MANAGEMENT IN BANKING

Objectives:

The basic objective to be met is to make the students understand the various risks associated with banks and to create a fundamental awareness about identification, measurement and management of various banking risks.

Course Contents:

- 1. Risk Management in Banks; An Introduction** – Organizational Structure of Banks, Concept and types of Banking Risk, Importance of Risk Management, Risk Management Process, Various operations of Banks in relation to risk, Banking Regulations on Risks.
- 2. Interest Rate Risk Management in Banks-** Types of Interest rate risks; Identification of Interest Rate Risk, Management of Interest Rate Risk; Gap Methodology; Duration Analysis.
- 3. Credit Risk Management in Banks-** Identification of Credit Risk: Drivers of Credit Risk; Capital Adequacy Requirements; BIS Risk-Based Capital Requirements Frame Work; Traditional Measurement Approaches; Different Models of Credit Risk Management.
- 4. Liquidity Risk Management in Banks-** Liquidity Risk identification and the Need for Managing it in the Long/short Run; Fundamental Approach to Long Run Liquidity Risk Management; Technical Approach to short Run Liquidity Risk Management;
- 5. Operational Risk Management in Banks-** Operational Risk and Its Evolution; Major Sources of Operational Risk; Measurement of Operational Risk; Management of Operational Risk.
- 6. Market Risk Management in Banks- Operational Risk and Sources of Risk-** Measuring operational Risk and Value-at-Risk (VaR); Approach to VaR; Basel Committee Recommendations; Management of Market Risk
- 7. Managing Foreign Exchange Risk-** Nature and Magnitude of Exchange risk; Tools and Techniques for Managing Forex Risk; Managing the currency risk;
- 8. Risk Management Frame work in Banks-** Elements of Risk Management Frame work; Systematic Risk Management in Banks; Involvement of the management in the Risk Management Frame work.
Tools and Techniques for Managing different risks in banks
- 9. Risk Management Strategies**

Text Book: Financial Risk Management by Vivek and Asthana, Himalaya Publishing

Reference Books:

Risk Management in Banks ICFAI
Financial Risk Management Edinburgh Business School
Risk Management S B Verma, Deep & Deep Publications
Managing Bank Risk Morton Glantz – Published by Academic Press
Risk Management (publication of IIBF and Macmillan)

MBM-3041
DEVELOPMENT & MERCHANT BANKING

UNIT-I

Merchant banking: Meaning-Importance-Functions-Growth of merchant in India Role of SEBI in regulating merchant banking industry.

UNIT-II

Projected related activities of a merchant banker corporate counseling- Meaning advisor role of merchant banker-Loan syndication-Meaning and scope. Capital issue and related and activities of a merchant banker.

UNIT-III

Changing structure of Indian capital market-Management of pre-issue activities and – Types and characteristics of corporate securities-step to be taken by the issuing company and the lead manager- underwriting –Management of post –issue activities Listing of securities.

UNIT-IV

Service oriented activities of a merchant banker: Mergers and Amalgamation joint venture and role of banking institution.

UNIT-V

Miscellaneous activities of merchant banker. Venture capital – Origin – Features of venture capital – factoring – Meaning and types.

TEXT BOOK

Machiraju H.R, Merchant Banking, Principles and Practice

REFERENCE BOOK

Verma J.C, Bharat's man

MBM-3051

STATISTICAL ANALYSIS AND METHODOLOGY

Course Objective

The objective of this course is to give conceptual and practical training to the student in conducting desk and field research for export and import market of goods by collecting, tabulating, analyzing and interpreting relevant data.

Course Contents

PART – I STATISTICAL ANALYSIS

1. **Probability Theory and Probability Distributions**: Concepts, Additive, Multiplicative, Conditional Probability rules, Bay's Theorem, Binomial, Poisson and Normal Distribution-their characteristics and Application, Statistical Theory: Decision making process, Decisions under Uncertainty and Risk.
2. **Time Series**: Time Series and its Components, Analysis, Models of Time Series, Methods of studying components of Time Series: Measurement of trend (moving average, Exponential smoothing and least squares method) Measurement of seasonal variation (Simple Average, Trend and Moving Average method) Measurement of Cyclic Variations (residual method).
3. **Index Numbers**: Concepts, Uses & Problems in construction of Index Numbers, Methods of constructing Index Numbers, unweighted and weighted index number.

PART – II RESEARCH METHODOLOGY

1. **Introduction to Research Methods**: Role and objectives of business research, types of research, research process: Overview, problems encountered by researcher.
2. **Testing of Hypothesis**: Hypothesis testing and statistical inference (Introduction to methodology and Types of errors) introduction to sample tests for univariate and bivariate analysis using normal distribution, f-test, t-test, z-test and chi square test.
3. **Research Design**: Selecting research problem, defining research problem, need for research design, features of a good research design and different research designs .
4. **Sampling Theory and Design of Sample Survey**: Census Vs Sample Enumerations, Objectives and Principles of Sampling, Types of Sampling, Sampling and Non-Sampling Errors.
5. **Data Collection and Analysis**: Collection, Organization, Presentation, Analysis and Interrelation of Primary and Secondary Data, Factor Analysis, Perceptual Mapping, Multidimensional Scaling.
6. **Measurement of Scaling Concepts**: Measurement in research, measurement scales, sources of errors in measurement, Techniques of developing measurement tools, classification and testing (reliability, verification and validity) scales, Designing questionnaires and interviews.
7. **Interpretations and Report Writing**: Meaning of interpretation, techniques of Interpretation, precautions in interpretation, significance of report writing, steps in report writing, layout of report and precautions in writing research reports.

Text reading:

- 1 Richard I. Levin and D.S.Rubin "Statistics for Management" Prentice Hall of India.
- 2 Anderson Sweeney William " Statistics for Business and Economics" Thomson South Western
- 3 William G. Zikmund, "**Business Research Methods**", Orlando: Dryden Press.
- 4 S.P. Gupta "Statistical Methods" New Delhi Sultan Chand and Sons.

- 5 Fred N Kerlinger, “**Foundations of Behavioural Research**”, New Delhi: Surjeet Publications.
- 6 C. R. Kothari, “**Research Methodology: Methods and techniques**”, New Delhi: Vishwa Prakashan.

Suggested readings:

- 1 D.C. Sancheti and V.K. Kapoor “Statistic: Theory, Methods and Application” New Delhi Sultan Chand and Sons 2001.
- 2 D.N. Ethance, Veena Ethance and B.M. Aggrawal, “Fundamentals of Statistics” Allhabad Kitab Mahal 1996.

MBM-3061 **E-BANKING (Including mobile Banking)**

Objectives: To make the students to understand the e-banking transactions.

Unit I

Networking of computers – Types – LAN – WAN – Internet and Intra net – E-mail – rise of on-line – banking technology in banking services.

Unit II

Electronic payment system : Automatic teller machine merits and demerits – installation and security aspects a of ATM, MICR equipment – precautions in handling MICR instrument – benefits and limitations.

Unit III

e-cash : features – benefits of e-cash – limitations of electronic data interchange – electronic fund transfer credit card – debit card – payment through bank network –payment by smart card – electronic pass book – home banking.

Unit IV

Electronic clearing services – SWIFT – types of message in SWIFT (society for world wide inter bank financial telecommunication) – message format in SWIFT – bank information code – message flow in SWIFT system – advantages and structure of SWIFT.

Unit V

E-Banking challenges and opportunities – services offered through e-banking – strengths of e-banking – weakness of e-banking – opportunities – theories of e-banking.

Books for Reference:

1. Knowledge based system in banking sector – R.V. Kulkarni

2. Computer Application in Business and, Commerce and Banking – R.S. Viramani.

3. Computer Application in Business – R.Parameswaran.

SCHOOL OF COMMERCE
Devi Ahilya Vishwavidyalaya, Indore

Subject Scheme and Syllabus

M.COM. (BANK MANAGEMENT)

Semester-4 (January to Jun)

MBM-4011	FOREIGN EXCHANGE MANAGEMENT
MBM-4021	CO-OPERATIVE CREDIT AND BANKING
MBM-4031	MARKETING OF BANKING SERVICES/PRODUCTS
MBM-4041	INDIVIDUAL INVESTEMENT & PORTFOLIO MANAGEMENT
MBM-4051	BANK AUDIT
MBM-4061	PROJECT- REPORT MRP*

MBM-4011
FOREIGN EXCHANGE MANAGEMENT

Objectives :

To acquaint the participants with the mechanism of the foreign exchange market, measurement of the foreign exchange exposure, and hedging against exposure risk.

Course Contents :

Unit- I : Concept and Significance of Foreign Exchange, Functions of Foreign Exchange Department, Foreign Exchange Markets, Role of RBI.

Unit- II : Exchange Control – Objectives and Methods of Exchange Control Exchange Control in India, FERA, FEMA.

Unit – III : Introduction to Foreign Exchange Rate Mechanism : Exchange Quotations – Spot Rate, Forward Rate, Cross Rates, Exchange Arithmetic.

Unit – IV : Foreign Exchange Rate Fluctuations – reasons, Methods of Mitigation of currency exchange rate fluctuation – Forward, Futures, Options.

Unit – V : Bill Buying and Selling rates ; Execution of Forward Contracts; Cancellation of Forward Contracts.

Unit – VI : Introduction to Import & Export, Methods of Import Finance & Export Finance.

Books & References :

1. C. Jeevanandan – Foreign Exchange
2. Bhagwati, J and Srinivasan, T.N.(Eds.) – Foreign exchange regimes and Economics Development
3. Dockor –Foreign Exchange
4. Verghesa, S.K. – Foreign Exchange and Financing of foreign trade.
5. RBI- Exchange Control Manual.
6. NABHI Publication – Foreign Exchange Manual.

MBM-4021
CO-OPERATIVE CREDIT AND BANKING

UNIT 1: CORPORATE CREDIT

Meaning on Corporate Credit, Difference Business Credit and Corporate Credit, Difference between Personal Credit and Corporate Credits. Types of corporate credits.

UNIT 2:

Origen of banking , Banker, Banking and other business , Customers and different Relationships , Statutory obligation to honour the chequees, different duties and rights of Bank including right to set off, right to close an account, and the Rule of CALAYTON'S CASE.

UNIT 3: Introduction to Negotiable Instruments

Definition of Negotiable Instruments, Difference between Negotiation and Assignment, Characteristics of Negotiable Instruments, Classification of N.I.

CHEQUES : Definition , Difference between Cheque and Bill of exchange, Cheque and draft, Material alteration, Crossing of Cheques, Endorsement of cheques.

UNIT4: Duties and Liabilities of banker.

(A) **Paying Banker:** Precaution before Honouring a Cheque, Circumstances under which a cheque can be dishonoured, Statutory protection to a paying banker, Payment in due course, Recovery of money paid by mistake,

(B) **Collecting Banker:** Bank as a holder of Value, Banker as an agent, Duties of Collecting Banker, Statutory protection to collecting banker, Basis of NEGLIGENCE,

UNIT 5: Types of Accounts

(A) **Deposit Accounts:** General preparation for opening an A/c., Current Deposit A/c., Fixed Deposit A/c, Saving Bank Deposit Account, Insurance linked saving bank A/c., Recurring Deposit A/c., Other Deposits.

(B) **Loans & Advances:**

(a) Principles of sound landing , Secured advances, Lien, Pledge, Mortgage, Hypothecation, advances against security of goods, Advances against document of title, advances against stock exchange security, miscellaneous securities,

(b) Unsecured advances, guarantee, indemnity, difference between guarantee and indemnity, rights and duties of different involved in an unsacred advance.

UNIT 6: Classification of banks & Subsidiary Services:

(I) Schedules bank , Nationalized bank, Commercial Banks, Investment Banks, Cooperative Banks, Land Development Banks, Saving Banks, Central Bank,

(II) (a) . Agency Services: Payment & Collection , Purchase& Sales of Securities, Executors, Administrator, and trustee,

(b). Miscellaneous Services: Safe custody of valuables, Letter of credit, Travelers, Cheque, Remittance of funds, Electronic Remittance, Merchant Banking, Dealing in Foreign Exchange Business, Leasing, house Finance, etc.

Books for Reference:

1: Banking products and services by Indian institute of banking and finance (Taxmann)

2: Banking Theory. Law. And Practice. By Himalaya publishing house.

MBM-4031

MARKETING OF BANKING SERVICES/PRODUCTS

Objectives :

To make the students to know the various bank marketing techniques .

Unit – I : Introduction to Marketing Management. Introduction to service marketing: Gaps model of services quality; consumer behavior in services; customer expectations and perception; Segmentation targeting and positioning and positioning of services in competitive markets.

Unit – II : Introduction to financial and banking services; Communication mix for services; Pricing and revenue management ; distribution of banking services, Retail banking services; Convergence of financial services in banking sector.

Unit - III : Designing and managing of banking services; Demand management; Planning of services environment; Managing people for service advantage; impact of information technology on banking services.

Unit – IV : Managing relationship and building loyalty; customer relationship management; Service quality, productivity and customer perception; organizing for service leadership. Financial and economic impact of services.

Books for Reference :

1. R.K. Madukar – Dynamics of Bank Marketing
2. Kenneth Andrew – Bank Marketing concepts and Application.
3. KK. Sexena – Bank Marketing Concepts and Applications
4. Richard Handscombe – Bank Management Handbook.
5. Principle of Marketing by Philip Kotler and Gary Armstrong, PHI, Sixth Edition. Delhi, India.
6. Service Marketing by Christopher Lovelock and John Wirtz. Pearson Education. Fifth Edition, Delhi.

7. Services Marketing by Valarie A Zeithaml et al. The Mcgraw Hill. Forth Edition. New Delhi.
8. Financial Services by Shashi K. Gupta and Nisha Agarwal, Kalyani Publishers.

MBM-4041

INDIVIDUAL INVESTEMENT & PORTFOLIO MANAGEMENT

Objective : The objectives of this course is to help students understand various issue in analysis of investment & portfolio management.

Course Inputs –

Unit – I : **Investment** : Meaning and characteristics of investment, objectives of investment, investment v/s speculation and gambling, Financial and economics aspects of investment, types of investments, investment process, selecting investment in a global market. Basic concept of mutual fund investment.

Unit – II : **Concept of return and risk** : Systematic and unsystematic risk, multi factor midel of risk and return, efficient capital markets, comcept of bata, capital asset pricing model (CAPM), security and capital market line (Sml)/cml).

Unit – III : **Security valuation** : Meaning and significance of security valuation, global asset allocation decision.

Unit – IV : **Valuation of bond and equity** : Bond fundamentals, valuation models, yield, valuation of equity, P/E ratio and earning multiplier models, valuation of preference shares and warranties.

Unit – V : **Securities analysis** : Security analysis, stock market analysis, fundamentals analysis, technical analysis, DOW theory, efficient market theory and testing.

Unit – VI : **Portfolio concept** : Portfolio concept, Markowitz models, sharpe index model, arbitrage pricing theory, basic principal for portfolio investment process, its objective and types.

Unit – VII : **Portfolio evaluation** : Measures of returns, formulas Sharpe a tren your measures, portfolio management strategies.

Reference :-

1. Bhalla : Investment Analysis; S.Chand & Co.
2. Gupta L.C.; Stock Exchange Trading in India.
3. Machi Raju HR. Merchant Banking.
4. Machi Raju HR. Working of stock Exchange in India.
5. Investment Management & security analysis by Dhanesh Kumar Khatri.

MBM-4051
BANK AUDIT

Objective : To make the students to know about the various forms of bank audit.

Unit – I :

Objective of Audit : definition of Audit, scope of auditing, advantages of audit. Auditing and investigation . Qualities of an Auditor. Regulations on submission of Audited balance sheet to the RBI, SEBI, central Govt., Etc.

Unit – II :

Detection of error and fraud, preparation before audit programme, Internal check and control of banks.

Unit – III :

Audit of banking companies – provision of the Banking Regulation Act, 1949, relating to capital, reserves, P&L a/c and balance sheet.

Unit – IV :

Audit of prudential accounting norms- Types of assets- performing assets & non- performing assets.

Unit – V :

Verification and valuation of fixed assets. Investment and liabilities – Audit of bank branches – Publication of accounts – control by Board of Inspection of RBI.

Book for Reference :

1. M.L. Tandon Auditing
2. Jeqdesh Prakash Auditing
3. Spiccer and Pegler Auditing