

12. BANKING AND FINANCIAL SERVICES

Course Objective: This course aims to enlighten the students with the fundamental concepts of banking and financial services and provide skills needed to work in banking and Financial Service sector.

Course Learning Outcomes:

After completion of this course, students shall be able to achieve the following Outcomes:

CO1: Explain the concepts and principals of banking and financial services

CO2: Know different types of deposits and digital banking services

CO3: Understand functions of Banking Correspondents and Common Service Centres

CO4: Examine the functions and challenges of Non-Banking Financial Institutions

CO5: Identify and evaluate the role and performance of FSCs.

Unit1: Principles of Banking and Indian Banking System

- Meaning, Principles, Functions of Banking
- Structure of Indian Banking System, Regulations of Banking in India, Role of RBI in Banking
- Problems and Challenges of Banking in India; Anti-money Laundering
- Basics of Financial literacy

Unit 2: Deposits, Loans and Digital Banking

- Bank Account Types, Account Opening and Closing; KYC Norms
- Negotiable Instruments: Cheque, Bill of Exchange, Promissory Note, Endorsement,
- Principles of Lending, Different categories of Loans, Mortgaging
- E-Banking facilities: Debit Card, Credit Card, Net Banking, Mobile Banking, Micro ATMs, Core Banking Solutions

Unit 3: Banking Correspondents and Common Service Centers

- Banking Correspondent Model
- Activities of Banking Correspondent: Deposit Mobilization, Identification of Borrowers, Collection and Recovery of Loan
- Other Banking Services: Common Services Centre (CSC), Provision of Services by CSC, Requirement for Registering CSC
- Case Study of Banking Correspondents with any Bank or CSC in Local Area

Unit 4: Financial Services of NBFIs

- Non-Banking Financial Institutions (NBFIs): Types and Major Players in India
- Important Financial Services offered by NBFIs and their Features, Problems and Challenges of NBFIs in India
- Micro Finance: Concept and Operations; Chit Funds: Concept and Operations; Payment Bank; Concept of EMI
- Regulations of NBFIs in India

Unit 5: Work with Finance Service Company (FSC)

- Types of loans by Finance Service Company (FSC)
- Customer of FSC: Types and Needs; Marketing of FSC's Loans
- Procedures and Requirements in FSC's Loan Sanction; Collection and Recovery of FSC Loans
- Case Study of a FSC's services in Local Area: loans, deposit collection, money transfer through payment banks

References:

1. Indian Institute of Banking and Finance: *Principles and Practices of Banking*, Macmillan India Limited, 2021.
<https://drive.google.com/file/d/1VU7aN4s5ikPQI7nX6mTBW-sVLQCNhfvK/view>
2. Indian Institute of Banking and Finance: *Retail Banking*, Macmillan India Limited, 2015.
3. Akhan Ali Jafor: *Non-Banking Financial Companies in India: Functioning and Practice*, New Century Publications, New Delhi, 2010.
4. RBI: "Non-Banking Financial Institutions" in *Report on Trend and Progress of Banking in India 2019-20*.
5. RBI: Discussion Paper on *Engaging Business Correspondents*.
https://www.rbi.org.in/scripts/bs_viewcontent.aspx?ld=2234
6. Govt. of India: Ministry of Electronic and Information Technology: *Digital Service Operational Manual for Common Service Centres*.
<https://csc.gov.in/assets/cscmanual/digitalsevaoperationalmanual.pdf>

Co-Curricular Activities:

a) Mandatory (*Training of students in the related skills by the teacher for a total 10 Hours*)

1) For Teacher: Training of students by teacher in the classroom and in the field for a total of not less than 10 hours on skills and hands on experience like opening and closing bank account, explaining negotiable instruments, loan application process at banks, operation of digital banking, operating common service center, loan application and sanction in FSC, make use of important websites and apps etc. pertaining to banks and FSCs and make a field visit to any bank and FSC in local area. The expertise of practicing insurance agent or trainer can be utilized for this purposes.

2) For Student: Students shall visit and understand the functioning of bank and FSC of their interest in the local area. They shall write their individual observations in the given format, not exceeding 10 pages, and submit to the teacher, as Fieldwork Report

3) Suggested Fieldwork Format (*Report shall not exceed 10 pages*):

Title Page, Student Details, Acknowledgments, Index page, Objectives, Step-wise process, Findings, Conclusion & References.

4) Max Marks for Fieldwork Report: 05

5) Unit Tests/Internal Examinations.

Suggested Activities:

Unit-1: Chart Preparation of Structure of Banking System in India

Unit-2: Quiz on types of loans and deposits

Unit-3: Visit to Local CSC and report on observation

Unit-4: Group Discussion on Importance of Micro- Finance

Unit-5: Assignment on topics of Services by Financial Service Companies

Note: For the latest topics which have no formal material available, the teacher is expected to prepare own material by using multiple latest sources and practical knowledge.