

**DEPARTMENT OF COMMERCE**  
**University of Delhi**

**Course: B.Com (H) Semester-V**  
**Subject: Banking and Insurance**  
**Paper No: BCH-5.4 Group A(d)**

The meeting for the above mentioned paper was held at Zakir Husain Delhi College, University of Delhi on 26<sup>th</sup> September 2017 at 2.00 P.M. The following guidelines were set in the meeting with the consent of all teachers and the representative of Department of Commerce, University of Delhi.

**GUIDELINES FOR BANKING AND INSURANCE**

**1) UNIT I – Weightage of Marks: 7.5, lectures: 10**

Origin of banking: Definition of Banking, banker and Customer relationship (any five, viz as a Debtor and Creditors, as a Creditor and Debtor, as an agent and principal, as an Trustee and Beneficiary, as a bailer and bailee, as a pledger and pledge), General and Special types of Customers, types of deposits (*Current Account, Saving Account, Fixed Deposit Account*), Origin and growth of Commercial banks in India (*Historical background*), India's approach to banking sector reforms (*It includes Narasimham Committee Recommendation I and II both*), International Security Standards in banking (*Conceptual*), Global financial Crisis and India's banking Sector, Achievement of Financial Sector reforms and areas of concern (problems and limitations of financial sector reforms).

**2) UNIT II – Weightage of marks: 7.5, Lectures: 10**

Commercial Banks; Credit Allocation Policies, Credit Market Reforms, How of Credit to Agriculture and Allied Activities (It includes role of NABARD, Urban Cooperative Banks, Regional Rural Banks (RRBs) and Primary Agricultural Credit Societies (PACS), Credit Flow to Micro, Small and Medium Enterprises, Technological channels for the Delivery of financial Services (It includes Debit and Credit Cards, Internet and E-Banking Services), Advantages and Disadvantages of

foreign Banks (*Mainly Focus on Advantages and benefits of Foreign Banks*),  
Roadmap for Foreign Banks in India (*future Prospects of Foreign Banks*).

**3) UNIT-III Weightage of marks: 15, Lectures:10**

Operations of Banking; cheques crossing and endorsement, types and rules of crossing, Principles of Sound lending (*Principles of Profitability, Liquidity, Objectivity, Social Responsibility, Safety & Security, Diversification of risk*), Secured Vs. Unsecured advances, Types of Advances, Advance against Various Securities (*Cash Credit, Overdraft, Bill Discounting, Loan System*) Securitisation Standard Assets, Anti Money Laundering Guidelines, Credit Information Bureau of India Ltd. (CIBIL), Balance Sheet of a Bank, Special items, off Balance Sheet items (Note to Account), Basel I, Basel II, Migration to Basel II norms.

**4) UNIT-IV, Weightage of marks: 15 Lectures: 10**

Era of Internet Banking and its benefits, Home Banking, Mobile Banking, Virtual Banking, ECS (*Electronic Clearing System*), E-Payments, Plastic Money (Debit, Credit and Smart Card), EFT (*Electronic Fund Transfer*) E-money, electronic purse, digital cash, safeguards for internet banking, Critical Comparison of traditional banking methods and e-banking.

**5) UNIT-V, Weightage of marks 15; Lectures:10**

Basic concept of risk, Types of business risk, Assessment and transfer of risk, Basic principles of Insurance such as principles of utmost good faith, Insurance Interest, Indemnity, Economic function (*economic utility of Insurance*) Proximate Cause, Subrogation and Contribution.

**6) UNIT VI, Weightage of marks 15; Lectures: 10**

Legal Aspects of Insurance Contract (It includes basic provisions relating to Insurance Act 1938, Life Insurance Corporation Act 1956, General Insurance Corporation Act 1972 and IRDA, Act 1999, Types of Insurance: Life and Non-life (*Marine, Fire, Motor, Health etc.*) Re-insurance, Risk and return relationship, Regulatory framework of Insurance, Role, Power and functions of IRDA, ARDA Act 1999, Banc assurance.

**NOTE:**

The number of questions from Banking : 3 Questions (Unit I, II, III, IV)

Insurance: 2 Questions (Unit V and VI)

There should be an internal choice questions in the question paper having parts A and B only (7.5 marks or 7 marks and 7.5 or 8 marks *(overall) as the case may be*)