

Department of Commerce

University of Delhi

Course: B. Com.	Semester: VI
Subject: Banking and Insurance	
Paper No.: BC 6.1 (b)	

The meeting for the above mentioned paper was held at the Committee Room of Ramanujan College on January 22, 2018 at 11:30 AM. The following guidelines were set in the meeting with the consent of all teachers and the representative of the Department of Commerce, University of Delhi.

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 (Including the Narasimham Committee Recommendations I and II), International Security Standards in Banking (Conceptual), Global financial Crisis and India’s Banking Sector (Case Studies of Collapse of Foreign Banks may be discussed), Achievement of Financial Sector reforms and areas of concern (Critical evaluation of financial sector reforms).

UNIT II – Weightage of Marks: 7.5, Lectures: 10

Commercial Banks: Credit Allocation Policies, Credit Market Reforms, Flow 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), Customer Services in Banking, Role of Foreign Banks In India – Advantages, Disadvantages and Roadmap (future Prospects).

UNIT III - Weightage of Marks: 15, Lectures: 13

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 of 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 III norms (Discuss the Capital requirement and difficulty being faced in migrating to Basel III, cite latest RBI guidelines). In this Unit, the NPA problem facing the Banking Sector should also be introduced very briefly for students to be able to relate to real life scenario.

UNIT IV - Weightage of Marks: 15, Lectures: 12

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. Students should also be familiarised with the popular Mobile Wallets, Payment Apps etc. citing examples.

UNIT V - Weightage of Marks: 15; Lectures: 15

Basic concept of risk, Types of business risk (including various Property, Commercial, Legal and other risks), 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. The application of these Principles of Insurance can be explained citing cases/examples/situations.

UNIT VI - Weightage of Marks: 15; Lectures: 15

Legal Aspects of Insurance Contract (Applicable Provisions of Section 10 of Indian Contract Act, 1872 to Insurance Contracts, Nature/Distinct Legal Characteristics of Insurance Contracts), Types of Insurance: Life and Non-life (Marine, Fire, Motor, Health etc.), Re-insurance (very briefly), Risk and return relationship, Regulatory framework of Insurance in India - Role, Power and functions of IRDA, IRDA Act 1999; Bancassurance.

Note: The expected number of questions from Banking - 3 Questions (Unit I, II, III & IV) and from Insurance - 2 Questions (Unit V and VI). There should be an internal choice in all questions of the question paper.

***Allocation of marks for each unit is tentative**