Subject 1: Banking: Financial & Non-Financial

Max Marks: 100
External: 70
Internal: 30
Pass: 40%
Credits: 6

Course Objective:

The objective of this course is to provide students with a comprehensive understanding of the Indian banking system, including both financial and non-financial aspects. Students will learn about the regulatory framework governing banks, key banking operations, customer account management, and risk management techniques. The course will also focus on the banking sales process, digital banking technologies, and risk management practices, preparing students for practical roles in the banking sector.

Learning Outcomes:

By the end of this course, students will be able to:

1. **Understand the Indian Banking System and Regulatory Framework**
- Explain the structure, functions, and regulatory framework of the Indian banking system, including the role of the RBI and key banking regulations.
2. **Implement KYC/AML Compliance in Banking Operations**
- Apply KYC (Know Your Customer) and AML (Anti-Money Laundering) regulations in account opening processes, ensuring compliance with risk management practices and documentation requirements.
3. **Manage Non-Resident Accounts and Foreign Exchange Regulations**
- Distinguish between different types of non-resident accounts and understand foreign exchange regulations, including the Liberalized Remittance Scheme (LRS).
4. **Analyze and Mitigate Risks in Banking**
- Identify various banking risks (operational, credit, market), understand Basel norms, and apply risk management strategies, including stress testing and risk analysis, to ensure financial stability.

Section A

Unit 1: Introduction to Banking

Banking System in India, Finance and Accounting for Bankers, RBI Act: Role and Functions, Banking Regulation Act, Structure of Banks: Divisions and Functions, Concept of Money and Interest.

Unit 2: KYC/AML & Documentation for Account Opening (Resident)

Definition of KYC & AML, RBI Regulations on KYC & AML, FATF and Its Role, Account Types & Risk Categorization, Demand & Time Deposit Accounts, CASA Accounts, AML, CFT, and PML Act.

Unit 3: Non-Resident Ordinary (NRO) Account

NRO, NRE, FCNR, RFC Accounts, Non-Resident Special Rupee (NRSR) Account, Conversion of Residence Status, Liberalized Remittance Scheme (LRS), Foreign Exchange Regulations.

Section B

Unit 4: Banking Sales

Relationship Management, Prospecting and Customer Profiling, CASA (Current and Savings Account) Acquisition.

Unit 5: Banking Technologies

Introduction to Core Banking Solutions, Digital Banking Channels and Online Platforms, CRM in Banking.

Unit 6: Risk Management in Banking

Types of Risks (Operational, Credit, Market Risk), Basel Norms and Risk Mitigation Strategies, Stress Testing and Risk Analysis.

References:

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Sundararajan, V., & Errico, L. (2020). *Financial sector regulation and supervision: The case of India*. IMF Working Papers.

Koch, T. W., & MacDonald, S. S. (2019). *Bank management* (9th ed.). Cengage Learning.

Mishkin, F. S. (2021). *The economics of money, banking, and financial markets* (13th ed.). Pearson.

Saunders, A., & Cornett, M. M. (2022). *Financial institutions management: A risk management approach* (10th ed.). McGraw-Hill Education.