

**COURSE TITLE : BANKING**  
**COURSE CODE : 4128**  
**COURSE CATEGORY : A**  
**PERIODS/WEEK : 4**  
**PERIODS/SEMESTER : 72(18x4)**  
**CREDITS : 4**

### **TIME SCHEDULE**

<b>MODULE</b>	<b>TOPIC</b>	<b>PERIODS</b>
I	Meaning and definition of Banker and Customer Relationship between Banker & Customer Rights and Duties of a banker	17
	Test I	1
II	Opening and operation of different types of Accounts Closing of different types of accounts Special type of customers Meaning and definitions of negotiable instruments.	17
	Test II	1
III	Crossing of cheques and marking of cheques Endorsement of cheques Payment of cheques Collection of cheques Sound lending principles	17
	Test III	1
IV	Classification of loans and advances Secured and unsecured loans and advances Various types of securities Modes of creating charges Credit card, Debit card ATM Cards Internet Banking Modern trends in banking	17
	Test IV	1
	<b>TOTAL</b>	<b>72</b>

### **OBJECTIVES**

#### **MODULE - I**

- 1.1.0 Understand the meaning and definitions of Banker and Customer
- 1.1.1 Define the term customer and banker
- 1.1.2 Appreciate the Banker and Customer relationship
- 1.1.3 State the General relationship between banker and customer
- 1.2.0 Describe the General relationship between banker and customer
- 1.2.1 Give the differences between a bank debt and commercial debt.
- 1.3.0 Understand the Rights and duties of a banker, Describe Right of lien and exceptions

- 1.3.1 Describe the Right of Set-Off
- 1.3.2 Right to charge interest, commission, incidental charges etc
- 1.3.3 Describe the obligation of banker to honors customer's cheques
- 1.3.4 Describe the obligation to maintain secrecy regarding customer's account
- 1.3.5 Explain wrongful dishonor
- 1.3.6 State the consequences of wrongful dishonors of cheques
- 1.3.7 List out circumstances under which the banker can disclose the details of customers account
- 1.3.8 State the meaning of garnishee order

## **MODULE – II**

- 2.1.0 Understand the formalities of opening and operation of different types of account
- 2.1.1 List out the various types of account
- 2.1.2 Explain the procedure involved in opening fixed deposit accounts, savings accounts, current accounts
- 2.1.3 Describe a pass book
- 2.2.0 List out the procedure for closing of accounts
- 2.2.1 List out the circumstances under which an account may be closed
- 2.2.2 Explain the procedure for closing of an account in the interest of the Account holder and also in the interest of the banker
- 2.3.0 Understand the different types of customers
- 2.3.1 List out the special types of customers
- 2.3.2 Explain the formalities for opening an account in the name of a Minor
- 2.3.3 Explain the procedure for opening an account in the name of partnership firm And joint stock company
- 2.3.4 State the meaning of NRI, NRE, FCNR, NRO, NR, and Non Resident special Rupee Accounts
- 2.4.0 Understand the meaning and importance of Negotiable Instruments
- 2.4.1 Define Negotiable Instruments
- 2.4.2 State different types of negotiable instruments
- 2.4.3 List out the difference between Bill of exchange and promissory note
- 2.4.4 List out the difference between cheque and bill of exchange

## **MODULE - III**

- 3.1.0 Describe the essential requisites of a valid cheque
- 3.1.2 Describe the terms stale cheque, post dated cheque and Ante dated Cheque
- 3.2.0 Understand the meaning and importance of crossing & marking
- 3.2.1 Identify different types of crossing
- 3.2.3 List out the parties who are competent to cross a cheque
- 3.2.4 State the meaning of the terms order cheque and bearer cheque
- 3.2.5 State the meaning of the term marking
- 3.3.0 Understand the meaning and types of endorsement
- 3.3.1 Define endorsement
- 3.3.2 List out the different kinds of endorsement
- 3.3.3 Describe the types of endorsement
- 3.4.0 Understand the term paying banker
- 3.4.1 State the meaning of the term paying banker
- 3.4.2 List out the circumstances where a banker is justified in refusing payment of a cheque
- 3.5.0 Understand the term collecting banker

- 3.5.1 State the meaning of the term collecting banker
- 3.5.2 Understand the general principles of sound lending
- 3.5.3 List out the general principles of sound lending
- 3.5.4 Explain the sound lending principles

#### **MODULE – IV**

- 4.1.0 Understand the classifications of loans and advances
- 4.1.2 Describe the types of loans and advances
- 4.1.3 Understand the term secured and unsecured loans and advances
- 4.1.4 Describe general principles of secured loans and advances
- 4.1.5 Describe unsecured loans and advances
- 4.2.0 State the meaning of the term personal, tangible and collateral security
- 4.2.1 List out types of securities for loans and advances
- 4.3.0 State the modes of creating charge
- 4.3.1 State the types of lien
- 4.3.2 State the meaning of the term pledge
- 4.3.3 State the meaning of the term mortgage
- 4.3.4 Describe the types of mortgage
- 4.3.5 State the meaning of the term hypothecation
- 4.4.0 State the meaning of the terms credit cards, debit cards, and internet banking
- 4.4.1 Describe smart card, debit card, kisan credit card, and private label cards
- 4.4.2 List out the advantages of credit cards to the banker, to the card holder and to the merchant
- 4.4.3 Disadvantages of credit cards
- 4.4.4 State the meaning of ATM cards
- 4.4.5 List out the advantage and disadvantages of ATM cards
- 4.4.6 State the meaning of the term debit cards
- 4.4.7 State the types of debit cards
- 4.5.0 Describe the meaning of the term internet banking
- 4.5.1 List out the advantages and disadvantages of Internet banking
- 4.5.2 Identify the modern trends in Indian banking
- 4.5.3 State the meaning of the term electronic fund transfer
- 4.5.4 State the meaning of the term mobile banking
- 4.5.5 State the term tele-banking

### **COURSE CONTENT**

#### **MODULE - I**

Banker and customer-Meaning and definition –Banker-Customer relationship-Debtor-creditor, Agent principal, Trustee and Beneficiary-, Right to charge interest and -commission-Duty to honors cheques-duty to maintain secrecy regarding customers account – garnishee order

#### **MODULE - II**

Opening and operation of accounts-Fixed deposit, savings Bank, Current accounts, Recurring deposit accounts-special type of account holders-NRI accounts- Negotiable instruments-Definition – types-

### **MODULE - III**

Cheques, Bills of exchange, promissory notes-Stale cheques, Postdated cheques, ante dated cheque –

Crossing-General, Special ,account payee and not negotiable-Marking of cheques

Endorsement - types of Endorsement - paying banker – collecting banker-. Sound Lending principles

### **MODULE - IV**

Loans and advantages --Types of Loans and advances-Secured and unsecured-

Types of security-personal and tangible-modes of creating charge-Lien-pledge-Hypothecation-Mortgages

Credit cards-Operation-Types-smart card-kisan credit card, private label cards-ATM

cards-Debit cards-Internet banking – mobile banking –tele banking-electronic fund transfer

### **TEXT BOOKS:**

Banking theory and Practice -Prof.Clifford Gomez

### **REFERENCE BOOKS**

1. Banking Law and Practice -M.L.Tannan
2. Banking theory and Practice - K.C.Seedhar
3. Banking- Theory Law and Practice -K.P.M.Sundharam & P.N.Varshney
4. A Text Book of Banking - m.Radhaswami & S.V.Vasudevan
5. Banking Law and Practice - K.P.Kandasami,S.Natarajan,R.Parameswaran
6. Banking Theory – Law and Practice -E.Dharmaraj-SCITECH publishers
7. Banking Regulation Act