

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2018 BATCH AND THEREAFTER**

**Programme: B.Com TM.**

**Semester: IV**

**BANKING LAW AND OPERATIONS**

**Course Code: 18BT403**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

- To familiarize the students to understand the Law and Practice of Banking.
- To bring about awareness among students with changes and innovations in Banking Industry.
- To understand the Negotiable Instrument Act 1991.

**LEARNING OUTCOMES:**

- Enable students to fill up loan application forms.
- Enable students to know the new technology in banking.
- Enable students to understand the duties and responsibilities of a banker.

**UNIT 1**

**Banking Regulation Act 1949:**

**04 HRS**

History-definition of banking as per BR Act, other forms of business permitted and prohibited for banking companies. Concepts only- Paid-up-capital and reserve for an Indian banking company-licensing of banking company.

**UNIT 2**

**Relationship between Banker and Customer**

**12 HRS**

Definition of Banker and Customer-General relationship. Special relationship - Special types of customers- Minor, lunatic, married women, Joint Accounts, Partnership accounts. Private Limited Company, Public Limited Company, Non Trading Concerns, Trust Accounts - Closure of Accounts. KYC Policy-meaning.

### **UNIT 3**

#### **Negotiable Instruments:**

**14 HRS**

Meaning - Characteristics of Negotiable Instruments - Parties to the Instruments - Different types of negotiable instruments - Bills of Exchange Essentials - Promissory Note - Essentials - Cheques - Essentials, MICR Cheques - Material alterations - Markings - Endorsement - Types of endorsement.

### **UNIT 4**

#### **Paying banker and collecting banker**

**12 HRS**

Duties and responsibilities - Statutory Protection - Dishonor of Cheques -grounds - payment of cheques and other instruments. Case Study. Collecting Banker Duties and Responsibilities - Statutory Protection, Banker as a holder in due course. Banker as holder for value. Case Study.

### **UNIT 5**

#### **Advances and Securities**

**10 HRS**

Principles of sound lending - Methods of granting advances - Secured unsecured advances - Methods of creating charges on securities - Lien, Pledge, Hypothecation and Mortgage.

### **UNIT 6**

#### **Reforms and Innovations in Banking:**

**08 HRS**

Core Banking – Virtual Banking, E-banking, ATM, CDM (Cash Deposit Machine), Mobile Banking, ECS, EFT, NEFT, RTGS, SWIFT, Credit Card, Debit Card, E- Money, Digital Cash.NPA's – Factors contributing to NPA's (internal, External and others)BASEL Norms I,II and III – Overview and background.

#### **SKILL DEVELOPEMNT**

- To open a savings bank account
- Collect and fill pay in slips of savings bank account
- Draw different types of endorsement of cheques.
- List customer services offered by at least two banks of your choice.

#### **BOOKS FOR REFERENCE**

1. Sundaram&Varshney, Banking Law and Practice ,Sulan Chand & Sons,
2. S.N. Maheshwari, Banking Law and Practice - Kalyani Publishers.
3. E. Gordon & K. Natarajan, Banking Theory Law & Practice, Himalaya Publishing House.
4. A. Gajendran, Banking Theory Law & Practice, Vrinda Publications Pvt Ltd.