BANKING II (FUNDAMENTALS OF BANKING- II)

100 Marks- 75 Lectures

To acquaint students with banks’ negotiable instruments, banker-customer relationship, bank financial statements and banking regulations

Unit I Banker-Customer Relationship (30 Marks-23 Lectures)

Definition of customers, Different forms of bank-customer relationship - Bank as Debtor, Bank as Creditor, Bank as Trustee, Bank as Agent and Bank as Bailee.

Bank’s Duties/Obligations - Obligation to honour cheques, Obligation to maintain secrecy of customer’s accounts, Obligation for immediate credit of outstation cheques, Garnishee or Attachment order.

Bank’s Rights - Bank’s Lien, Right to Set-off, Right of appropriation of accounts, Right to charge interest/commission, Right of assignment.

Termination of banker-Customers relationship

Unit II Negotiable Instruments (20 Marks-15 Lectures)

Negotiable Instruments - Features of negotiable instruments, Promissory notes, Bills of exchange, Cheques and other instruments

Types of Cheques – Bearer and Crossed cheques(General Crossing and Special Crossing)

Endorsements-Meaning, Importance and Types.

Holder, Holder in due course, Paying banker, Collecting banker – duties, privileges and precautions needed to be taken..

Unit III Financial Statement Analysis of Commercial Bank (20 Marks- 15 Lectures)


Unit IV Banking Regulation (30 Marks-22 Lectures)

Reserve Bank Of India – Functions- Traditional functions, Supervisory and Developmental Functions

Instruments of RBI’s Monetary Policy( Quantitative and Qualitative).

Banking Ombudsman Act, and Credit Information Bureau (India) Ltd.
Books for Study and Reference:


Indian Institute of Banking and Finance, Basics of Banking (Know your Banking- I), Taxman Publication Pvt. Ltd. New Delhi.

Indian Institute of Banking and Finance, Banking Products and Services, Taxman Publication Pvt. Ltd. New Delhi.

B. S. Khubchandani, Practice and Law of Banking, Macmillan Publisher India Ltd. New Delhi.


P. N. Varshney, Banking Law and Practice, Sultan Chand and Sons, New Delhi.


O. P. Agarwal, Modern Banking In India, Himalaya Publishing House, New Delhi.


Website.

Reserve Bank of India [WWW.rbi.org.in](http://WWW.rbi.org.in)

Indian Institute of Banking and

Finance [WWW.iibf.org.in](http://WWW.iibf.org.in) Indian Bankers

Association [WWW.iba.org.in](http://WWW.iba.org.in)