FACULTY OF ECONOMICS & BUSINESS

SYLLABUS

FOR

PG DIPLOMA IN BANKING, INSURANCE AND FINANCE
(CREDIT BASED EVALUATION AND GRADING SYSTEM)
(SEMESTER: I & II)

Session: 2019–20

GURU NANAK DEV UNIVERSITY
AMRITSAR

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## SCHEME

### SEMESTER-I

<table>
<thead>
<tr>
<th>Paper</th>
<th>Title</th>
<th>Credit</th>
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<th>Mid Sem. Marks</th>
<th>End Sem. Marks</th>
<th>Practical Marks</th>
<th>Total Marks</th>
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Note: Each paper carries 100 marks.
EBL101 PRINCIPLES AND PRACTICES OF BANKING

Time: 3 Hrs.

Credits: 4–0–0
Total Marks: 100
Mid Semester Marks: 20
End Semester Marks 80

Mid Semester Examination: 20% weightage
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A

Commercial Banks: Meaning, Evolution, Present structure of commercial banks in India, Types, Role, Functions and Services provided by banks.
Licensing of Banks in India: Licensing of banks, branch licensing.
Banking and the Economy: Cash reserve ratio, Statutory liquidity ratio, repo and reverse repo, open market operations, security valuation, capital account convertibility.

SECTION B

Liberalisation of Banking Sector in India: Narsimham Committee Report Part I and II.
NPA and Securitisation: NPAs, NPA categories, Provisioning norms, SARAFAESI Act.

SECTION C

Bank Deposits and Accounts: Kinds of deposits, Nomination, Deposit insurance, Opening of accounts for minors, joint account holders, HUF, firms, companies, trusts, societies, Govt. and public bodies, Closure of deposit accounts.
Payment and Collection of cheques: Duties and responsibilities of paying and collecting banker, Protection available to paying and collecting banker under NI Act.

SECTION D

Security Creation: Pledge, Hypothecation, Mortgage, Assignment.
Other Banking Services: Fund based services, Non fund based services, Money remittance services, banking channels, Financial Inclusion.
Suggested Readings:

EBL 102 PRINCIPLES AND PRACTICES OF INSURANCE

Time: 3 Hrs.  Credits: 4–0–0
Total Marks: 100
Mid Semester Marks: 20
End Semester Marks 80

Mid Semester Examination: 20% weightage
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Introduction: Introduction to insurance; Evolution, Purpose and need/role of insurance; Insurance industry in India.
Fundamentals of Risk Management: Definition of risk, Classification of risks, Definition of risk management, Stages of risk management.

SECTION B
Insurance Contract, Terminology, Elements and Principles: Contract terminology, Elements of a valid contract, Distinguishing characteristics of insurance contracts, Common clauses and sections in insurance contract.
General Insurance: Classification- Life insurance and non life insurance, Non life insurance classification- Property insurance, Personal insurance and Liability insurance. Types of property insurance- Fire insurance, Marine insurance, Various types of engineering insurance, Marine cargo insurance, Features of motor insurance, Burgulary insurance, Money insurance.

SECTION C
Personal and Liability Insurance: Personal insurance, Mediclaim insurance, Group mediclaim policy, Personal accident insurance, liability insurance, Employee liability insurance, Public liability insurance, Professional indemnity insurance, Product liability insurance.
SECTION D

Insurance Intermediaries: Individual agent, Corporate agent, Code of conduct, Banking regulations, Indian insurance market.

Case Studies: Case studies on claims for loss to property – Genuine or Fraudulent, Personal Insurance Cases: Personal injury claims and Death claims, Cases on Fire Insurance, Marine Insurance and Commercial Vehicle insurance.

Suggested Readings

EBL 103 QUANTITATIVE SKILLS FOR BUSINESS MANAGERS

Time: 3 Hrs.  
Credits: 4–0–0  
Total Marks: 100  
Mid Semester Marks: 20  
End Semester Marks 80

Mid Semester Examination: 20% weightage
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Differential Calculus: Concept of derivative, rules of differentiation; maxima and minima of a function. Integration, Economic applications of differentiation and integration techniques.

SECTION B
Linear Programming: Formulation of L.P.P.: simplex and graphic methods.

SECTION C
Measures of Central Tendency: Mean, Median, Mode, G.M., H.M.  
Measures of Dispersion: Absolute and relative measures.

SECTION D
Correlation and Regression Analysis: Pearsons method, Spearman’s rank correlation method, Least square technique, Properties of Correlation and Regression coefficients.  
Time Series Analysis: Meaning and components of time series, methods of estimating trend and seasonal fluctuations, Elementary probability theory.
Suggested Readings

EBL 104 ACCOUNTING FOR MANAGERS

Time: 3 Hrs. Credits: 4-0-0
Total Marks: 100
Mid Semester Marks: 20
End Semester Marks 80

Mid Semester Examination: 20% weightage
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Accounting as Information System : Concepts, conventions and principles of accounting. Branches of Accounting Financial, Cost and Management accounting and their inter relationship. Accounting cycle, Recording of business transactions, Preparation of trial balance, understanding the financial statements of an organization with special reference to companies (requirements of schedule VI of Companies Act.)

SECTION B

SECTION C

SECTION D
Assessment of working capital requirements and lending norms. Dividend policy: Determinants, Models and Types.


Suggested Readings:
2. Jawaharlal, Management Accounting, Himalya, New Delhi.
5. Pandey, I.M., Management Accounting, Vikas, New Delhi.
EBL 105: COMPUTER APPLICATIONS IN BANKING AND INSURANCE

Time 3 Hrs.  
Credits: 3–0–2  
Total Marks: 100  
Mid Semester Marks: 20  
Practical Marks: 20  
End Semester Marks 60  

Mid Semester Examination: 20% weightage  
Practical : 20% weightage  
End Semester Examination: 60% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Introduction to Computers: History of computer, computer generations, types, block diagram of digital computer, their functions, memory types, I/O devices, secondary storage devices. Define E-banking, CBS, RTGS, NEFT, ATM and security mechanism in banking services.

SECTION B
Operating System Concepts: Role of an operating system, types of operating systems: batch processing, multiprocessing, multiprogramming, timesharing, real time. Booting procedure and its types, components and functions of operating system.

SECTION C
Data Base Management System: Database models, fundamental of relational model, 3-Level architecture, query languages, query optimization, normalization, database security, recovery, concurrency. Introduction to distributed and objected oriented database.

SECTION D
Cloud Computing and Big Data: Introduction to cloud computing, its advantages, types and deployment models. Define and describe IOT, Big Data and its characteristics, critique, applications in different areas, tools and techniques of implementation.

Suggested Readings

4. Telecommunications and the Computer: Martin, James, PHI.
EBL 201  BANK CREDIT MANAGEMENT

Time: 3 Hrs.  

Credits: 4–0–0  
Total Marks: 100  
Mid Semester Marks: 20  
End Semester Marks 80

Mid Semester Examination: 20% weightage  
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A

Credit Management: Principles of credit management, Credit appraisal techniques, Credit monitoring.

Factoring and Forfaiting: Concept and Mechanism of factoring, Nature of factoring services, Functions of a factor, Cost of services, Types/ Forms of factoring, Legal aspects of factoring, Factoring vis a vis Bill discounting, Factoring in India, RBI guidelines, Operational problems. Forfaiting-Meaning, Forfaiting vs. Export factoring, Advantages and evaluation.

SECTION B

Structuring a Credit Proposal - Working capital concept and management, Appraisal techniques for different constituents, Trade cycle.

Documentation: Different types of documents, Documentation procedure, Securities: Different modes of charging, Types of collateral and their characteristics.

SECTION C


Term lending, Debt service coverage ratio, Cash budget, Bill finance, Deferred payment Guarantee, Credit scoring, Credit delivery System, Post sanction supervision, Consortium finance, Multiple banking, Syndication of loans, Infrastructure financing.
SECTION D

Dealing with credit defaults, Stressed assets, Corporate debt restructuring, SARFAESI, NPAs, Recovery options, Write-off. Disclosure of the list of defaulters: Objectives and procedure. Appraisal methodology for different type of clients / products.

Suggested Readings

2. Bullivant, Glen “Credit Management” Gower Publications.
5. IIBF ‘Advance Bank Management’, McMillian Publishing House
EBL 202 BANKING INSURANCE AND FINANCIAL SECTOR IN INDIA

Time: 3 Hrs.  
Credits: 4–0–0  
Total Marks: 100  
Mid Semester Marks: 20  
End Semester Marks 80  
Mid Semester Examination: 20% weightage  
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Banking in India: Commercial banks, cooperative banks and regional rural banks.
Financing of Priority sector: Targets for funding to priority sector, various schemes under priority sector financing.

SECTION B
Non-Performing Assets, Management in Indian Banking.
RBI and its functions; Instruments for credit control, credit policy in India – Recent developments.
Monetary policy: Objective, targets and indicators. Monetary policy in India – Recent developments.

SECTION C
Indian Insurance Sector: Growth and Performance, Insurance sector reforms in India. IRDA Act and its features.

SECTION D
General Insurance Corporations: Structure and types of business, income and investment pattern.
Development banking in India.
Suggested Readings

2. Government of India Economic Survey (Annual.)
7. Banking Theory Law and Practice, Sundaram and Varshney, Sultan Chand and Sons Publisher, year: 2004 Edition
14. N.M. Misra Insurance Principles & Practice
15. O.S. Gupta Life Insurance (Frank Brothers, New Delhi)
EBL 203 INVESTMENT THEORY AND PORTFOLIO MANAGEMENT

Time: 3 Hrs.                                      Credits: 4–0–0
Total Marks: 100
Mid Semester Marks: 20
End Semester Marks 80

Mid Semester Examination: 20% weightage
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A
Investment Alternatives available to an investor: Equity shares, preference shares; Non voting shares. Debentures – convertible and non – convertible. Fixed deposits: Mutual funds; Provident Fund.

SECTION B
Risk Return Framework: Types of risks, risk evaluation, risk reduction, hedging and speculation. Evaluation of different investment avenues in terms of risk and return.
Investment Analysis: Fundamental analysis- economic analysis, industry analysis and company analysis. Financial and non – financial parameters, trend analysis, ratio analysis, cash flow analysis and SWOT analysis.

SECTION C
Derivatives; distinction between options and futures, mechanics of options trading, determinants of option values.
Portfolio Management: Objectives of portfolio management, Portfolio Analysis and Selection – Markovitz theory, Sharpe’s Model, Capital Asset Pricing model; Arbitrage – pricing theory.

SECTION D
Case Studies: Studies on selection of right stock on the basis of risk and return relationships, studies on selection of stock on the basis of Fundamental and Technical Analysis. Case studies on Optimum Portfolio Construction and choosing the Best Portfolio for Retirement Planning.
Suggested Readings:

EBL 204  INTRODUCTION TO FINANCIAL MARKETS AND SERVICES

Time: 3 Hrs.  
Credits: 4–0–0  
Total Marks: 100  
Mid Semester Marks: 20  
End Semester Marks 80

Mid Semester Examination: 20% weightage  
End Semester Examination: 80% weightage

Instructions for the Paper Setters:
Eight questions of equal marks (Specified in the syllabus) are to be set, two in each of the four Sections (A-D). Questions may be subdivided into parts (not exceeding four). Candidates are required to attempt five questions, selecting at least one question from each Section. The fifth question may be attempted from any Section.

SECTION A

Markets & Financial Instruments: Types of Markets: Equity, debt, derivatives, commodities, meaning and features of private, public companies; types of investment avenues: Fixed Deposits, Bank Deposits, Provident Fund, Life Insurance, Post Office Savings, Small savings, Gold, Mutual Funds, Equity Share, Debentures/Bonds.

Primary Market: Initial Public Offer (IPO), Book Building through Online IPO, Eligibility to is-sue securities, Pricing of Issues, Fixed versus Book Building issues, ADRs/GDRs, Allotment of Shares, Basis of Allotment, Private Placement.

SECTION B

Secondary Markets: Role and Functions of: Securities and Exchange Board of India (SEBI), Depositories, Stock Exchanges, Stock Price Indices, Brokers, Sub-brokers, Foreign Institutional Investors (FIIs), Portfolio Managers, Custodians, Share Transfer Agents, Know Your Client, Member Constituent Agreement, Merchant Bankers, Bankers to an Issue, Debenture Trustees, Underwriters, Credit Rating Agencies, Listing, Membership.

Commodity Market: Introduction to Commodities Markets.

Derivatives Market: Definition, Products, Participants and functions (Types of members to be included), Types of derivatives, Exchange-traded vs. OTC derivatives markets.

SECTION C

Role of Financial Services in Indian Financial System.


Credit Rating: Concept of Credit Rating. Types of Credit Rating - Advantages And Disadvantages of Credit Rating - Credit Rating Agencies & their Methodology.
SECTION D

Introduction to Equipment Leasing: Types of Leases, Evolution of Indian Leasing Industry.

Hire purchase: concept and Characteristics of Hire Purchase.

Consumer Finance: Role of Consumer credit in the Financial system - Features of Consumer Credit Transactions.

Factoring: Concept of Factoring - Forms of Factoring.

Credit Cards: Concept - Cards - Debit Card - Uses of Credit Cards.


Suggested Readings

**** EBP 205 : PRACTICAL TRAINING/REPORT (VIVA-VOCE) *****