FACULTY OF ECONOMICS & BUSINESS

SYLLABUS

FOR

P.G. DIPLOMA IN FINANCIAL SERVICES
(BANKING & INSURANCE)

(SEMESTER: I–II)

Session: 2019-20

GURU NANAK DEV UNIVERSITY
AMRITSAR

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# COURSE SCHEME

## SEMESTER – I

<table>
<thead>
<tr>
<th>Subject Code</th>
<th>Subject</th>
<th>Marks</th>
<th>Number of Periods in a Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGDFS-101</td>
<td>Financial Services – I</td>
<td>50</td>
<td>6</td>
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<tr>
<td>PGDFS-102</td>
<td>Financial Institutions</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-103</td>
<td>Financial Sector Regulations - I</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-104</td>
<td>Financial and Cost Accounting</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-105</td>
<td>Financial Markets</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-106</td>
<td>Seminar Based on Term Paper</td>
<td>50</td>
<td>3</td>
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## SEMESTER-II

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<tbody>
<tr>
<td>PGDFS-201</td>
<td>Financial Sector Regulations - II</td>
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<tr>
<td>PGDFS-202</td>
<td>Financial Services – II</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-203</td>
<td>Financial Management</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-204</td>
<td>Information Technology in Financial Services</td>
<td>50</td>
<td>6</td>
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<tr>
<td>PGDFS-205</td>
<td>Management of Banking and Insurance Services</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>PGDFS-206</td>
<td>Seminar Based on Term Paper</td>
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PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-I)

PGDFS -101          FINANCIAL SERVICES – I

Time Allowed: 3 Hours                     Maximum Marks: 50

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


SECTION-B


Hire Purchase and Finance: Definition, Rights of Hirer, Rate of Interest, Accounting of Hire Purchase, Methods of Interest Calculation.

SECTION-C

Credit Rating Agencies: Concept, Objectives, Factors affecting Credit Ratings, Procedural aspects of Credit Rating, Credit Rating Agencies in India.

Consumer Finance: Definition, Types, Sources of Consumer Finance, Mode of Consumer Finance, Demand of Consumer Finance, Products covered, Terms of Finance, Advantages and Disadvantages.

SECTION-D

Mutual Funds: Meaning, Origin and Growth of Mutual Funds, Constitution and Management of Mutual Funds, Classification of Mutual Fund Schemes, NAV and Pricing of Mutual Fund Units, Recent Trends of Mutual Funds in India.

Other Financial Services: Stock Broking: Stock broker, and Sub-Broker, SEBI Guidelines, Credit Card Services: Types of Cards, Credit Card Vs Debit Card, Facilities to the Cardholder, Risks attached.
Recommended Readings:

2. SEBI Guidelines, Nabhi Publications.
5. Primary Market & IPO, ICFAI Publication.
8. How to do lease financing and hire purchase business, Nabhi Publications.
10. Leasing comes of age : Indian scene, DrPremlal Joshi - Amrita Prakashan.
11. Equipment leasing partnerships, Cudworth- Probus.
PGDFS - 102

FINANCIAL INSTITUTIONS

Time Allowed: 3 Hours

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

Indian Financial Institutions: Meaning, Features, Categories, Role, Banking and Non-banking Financial Institutions

Reserve Bank of India: Structure, Nationalization, Management, Functions, Departments

SECTION-B


Cooperative Banking in India: Meaning, Features, Importance, Structure of Cooperative Banks, Problems.

SECTION-C


SECTION-D

EXIM Bank: Business Profile, Project and Services export, Fund Based Facilities, FREPEC, Operating Procedure, Export Capacity creation programmes.

Note: Change in Section D is desired. Rest of the sections as per previous syllabus.

Recommended Readings:

PGDFS-103: FINANCIAL SECTOR REGULATIONS – I

Time Allowed: 3 Hours

Max. Marks: 50

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

Stock Exchanges: Securities Contract (Regulation) Act, 1956- An Introduction

Regulatory Framework: Important Provisions under BSCC Act and under Defense of Indian Rule (An Overview)

SECTION B

SEBI: Origin, Features of SEBI Bill, Objectives, Management, Powers and Functions, Role and Relevance

Regulatory Framework: Guidelines issued by SEBI regarding investor protection with reference to pre- issue regulations and post- issue regulations.

SECTION C

NBFCs: Definition, Structure, Classification, Regulatory framework covering prudential norms.

Depositories Act: Definitions, Rights and obligations of depositories, Participants, Issuers beneficial owners, Enquiry and Inspections, Penalty.

SECTION D


FEMA Act: Introduction, Objectives, Provisions of FEMA, Difference between FERA and FEMA.
Recommended Readings:

PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-I)

PGDFS- 104 FINANCIAL AND COST ACCOUNTING

Time Allowed: 3 Hours  Maximum Marks: 50

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 Accounts

SECTION-B

GAAP: Concepts and Conventions of Accounting, Accounting Standards in India, Standard Setting Procedure.

Preparation of Final Accounts of Banking and Insurance Companies.

SECTION-C


Elements and Components of cost and Cost classification

SECTION-D

Cost Control: Budgeting- Meaning of Budgetary Control, Objectives and Classification of Budgets.

Standard Costing: Material and Labour Variances


Recommended Readings:

PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-I)

PGDFS - 105

FINANCIAL MARKETS

Time Allowed: 3 Hours

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

**Indian capital Market:** Importance, Functions, Growth of Indian Capital Market, Structure, Sources of Demand and Supply of funds.


SECTION-B

**New Issue Market:** Functions, Methods of floating new issues, Operations in New Issue Market, Problems.

**Secondary Market:** NSE, OTCEI, Stock Holding Corporation of India Ltd. (SHCIL) Stock Exchange: Definition, Functions, Management and Organisation.

SECTION-C

**Money Market:** Meaning, Composition, Structure, Money Market and Capital Market

**Treasury Bills**

**Call Market**

SECTION-D

**Commercial Papers**

**Certificate of Deposits**

**Government Securities**

**Foreign Exchange Market:** Structure and Operations.
PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-I)

Recommended Readings:

5. SEBI Guidelines, Nabhi Publications
7. Primary Market & IPO, ICFAI Publication.
8. Economic Times Market Watch, ICFAI Publication
PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-I)

PGDFS -106 SEMINAR BASED ON TERM PAPER

Time Allowed: 3 Hours                                      Maximum Marks: 50
PGDFS- 201             FINANCIAL SECTOR REGULATION- II

Time Allowed: 3 Hours                           Maximum Marks: 50

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 Regulation ACT, 1949: Definitions, Provisions regarding business of banking companies
Monetary Policy: Meaning, objectives, measures

SECTION B
SARFAESI Act, 2002

SECTION C
RTI ACT, 2005
Commercial Banks: Importance, Structure, Functions.

SECTION D
KYC NORMS: Need for KYC, Organizational structure, Documentation for KYC, RBI Guidelines.

Recommended Readings:

2. Dr. S. Guruswamy, Financial Services, Tata McGraw Hill.
3. Dr. Punithavathy Pandian, Financial Services & Markets, Vikas Publication.
4. Sundaram and Varshney, Banking Theory Law and Practice, Sultan Chand and Sons Publisher.
5. Shakti R. Mohapatra, Debidutta Acharya, Banking and Insurance, Pearson Education India
6. Dudley Luckett, Money and Banking, McGraw Hill
PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-II)

PGDFS- 202 FINANCIAL SERVICES – II

Time Allowed: 3 Hours
Maximum Marks: 50

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
Factoring: Concept, Mechanism, Bill Discounting and Factoring, Forms of Factoring, Benefits, Problems, Factoring in India.

SECTION-B
Debt Securitization: Concept and Definition Need of Securitization, Participants in Securitization Process, Mechanism of Securitization, Benefits and Problems, Securitization in India.
Depository: Definition, Need, Depository System, Participants, Mechanism, Legal Framework, Benefits, Depositories in India.

SECTION-C
NBFCs: Definition, Structure, Classification, Types, Regulation of NBFCs, Prudential Regulations.

SECTION-D
Other Financial Services: Custodial Services: Custodian, Obligation and Responsibilities, Custodial Service Provides in India.
Registrar and Share Transfer Agents: Definition, Function, Role of Registrar in Public Issue, CAR, Obligation and Responsibilities.

Recommended Readings:

2. Dr. S. Guruswamy, Financial Services, Tata McGraw Hill.
3. Dr. Punithavathy Pandian, Financial Services & Markets, Vikas Publication.
4. Dr. R. Shanmugham , Financial Services, Wiley India.
14

PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-II)

PGDFS -203  FINANCIAL MANAGEMENT

Time Allowed: 3 Hours  Maximum Marks: 50

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


SECTION-B

Working Capital Management: Estimates of working capital
Accounts Receivable management, cash management, inventory management.

SECTION-C

Capital budgeting – Techniques of Evaluation of Capital Expenditure–Capital Budgeting under Risk & Uncertainty,
Cost of Capital: Meaning, Significance and Computation of Cost of Capital.

SECTION D

Capital Structure Planning: Leverage, Concept of Optimum Capital Structure, Theories of Capital Structure, Factors affecting capital structure.

References:
8. Van Horn, James G: Financial Management and Policy, Prentice Hall, Delhi,
PGDFS- 204  INFORMATION TECHNOLOGY IN FINANCIAL SERVICES

Time Allowed: 3 Hours                                      Maximum Marks: 50

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

SECTION-B

SECTION-C
Introduction to MS-Excel: Features of MS-Excel, Open and Create a worksheet
Create and Print graph using pivot table, Save & Exit Worksheet, Using Multiple Worksheets, Using Formulas & Functions

SECTION-D

Recommended Readings:

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:** Nature of Banking System in India, Meaning of Banking & Merchant terms. Types of Banks, Functions of Banks.

**Liberalization in Financial Services:** Need of Reforms in Banking structure, Different Phases of Indian Banking, Committees on Reforms in Banking Sector, Narasimham Committee, Mergers and Acquisitions in Indian Banking system.

**Non-Performing Assets and Income Recognition:** Introduction, Provisions for NPA, effects of reasons for Assets becoming NPAs, Tackling with NPA.

**SECTION-B**

**Services Provided by Banking:** Deposit, Loans and Advances, Discounting of Bills, Letter of Credits, Guarantees, Liability & Rights of Surety.

**Financing Priority Sector:** Targets for funding to priority sector, credit guarantee schemes, SSI loan guarantee schemes, guidelines for financing priority sectors. Kinds of borrowers in the priority sector.

**Liquidity Management in Banks**

**Asset Liability Management**

**Security Investment Management**

**SECTION-C**

**Insurance:** Meaning, nature and significance, essential requirements and principles of Insurance, Contract elements of General Insurance and Life Insurance, re-insurance, nationalization of insurance business in India, Role of Insurance in national economy.

**Definition of Risk and Uncertainty:** Classification of risks, sources of risk-external and internal, risk management.

**IRDA Act:** Salient feature, duties, powers and functions of the authority, financial Accounts and audit, power of Central Government to issue directions, IRDA (Protection of Policy Holders Interest) Regulation 2002, Rationale of opening up of the insurance sector to the private sector.
SECTION-D

**LIC of India:** Role, functions and policies, modern life insurance in India, private sector companies in life insurance sector, recent trends in life insurance.

**General Insurance:** Meaning and origin, growth of General Insurance, nature of general insurance, different types of general insurance, law relating to general insurance organization and management of general insurance in India.

**Deposit and Credit Insurance:** Nature, terms and conditions, claim, recovery etc. public liability insurance, emergency risk insurance.


**Recommended Readings:**

1. Banking Theory Law and Practice, Sundaram and Varshney, Sultan Chand and Sons Publisher, year: 2004 Edition
8. N.M. Misra Insurance Principles & Practice
9. O.S. Gupta Life Insurance (Frank Brothers, New Delhi)
PG DIPLOMA IN FINANCIAL SERVICES (BANKING & INSURANCE) (SEMESTER-II)

PGDFS- 206 SEMINAR BASED ON TERM PAPER

Time Allowed: 3 Hours

Maximum Marks: 50