

Elective Course 8: Commercial Banking

Course Type:	PS: Program Specialisation	Course Credits:	2
Course Code:	F3PE516	Course Duration:	30 Hours

Course Objective:

- To provide foundational knowledge of the structure, functions, and operations of commercial banks in India.
- To equip students with an understanding of banking regulations, including RBI guidelines, KYC norms, and Basel III compliance.
- To familiarize students with banking products, technological advancements, and contemporary practices in digital banking.
- To develop students' abilities in credit management, loan processing, and handling NPAs.
- To foster strategic thinking around risk management, treasury operations, customer relationship management, and sustainable banking practices.

Course Outcomes:

- CO1: Explain the structure and functions of the Indian banking system, the role of commercial banks in the economy, and the importance of financial inclusion and rural banking.
- CO2: Analyze the regulatory framework for commercial banks, including RBI guidelines, the Banking Regulation Act, AML/KYC norms, and Basel III implementation in India.
- CO3: Evaluate the range of banking products, services, and technology-driven innovations, including digital banking, payment systems, treasury operations, forex markets, and emerging fintech trends.
- CO4 Apply principles of credit management and loan processing, including risk assessment, credit scoring, NPA management, and customer relationship practices in real- world banking scenarios.
- CO5: Assess and develop risk management strategies in banking, incorporating internal controls, audit mechanisms, cybersecurity, stress testing, and sustainable finance initiatives.

Unit / Module	Content	CO Mapping	Hours Assigned
1	Introduction to Commercial Banking:	CO1, CO2	2

	<p>Definition, functions, and role of commercial banks in the economy. Types of banks: Public sector, private sector, foreign banks, and regional rural banks.</p> <p>Structure of the Indian banking system.</p> <p>Overview of the Reserve Bank of India (RBI) and its role in banking regulation.</p>		
2	<p>Regulatory Framework for Commercial Bank - Banking Regulation Act, 1949. RBI guidelines for capital adequacy, liquidity, and asset classification. Basel III norms and their implementation in India. Anti-money laundering (AML) and KnowYour Customer (KYC) norms.</p>	CO2, CO3	2
3	<p>Banking Products and Services Deposit products: Savings accounts, current accounts, fixed deposits, and recurring deposits.</p> <p>Loan products: Personal loans, home loans, vehicle loans, and business loans.</p> <p>Credit cards, debit cards, and prepaid instruments. Payment and settlement systems: NEFT, RTGS, IMPS, and UPI.</p>	CO2, CO3	2
4	<p>Credit Management and Loan Processing Principles of lending and credit appraisal. Loan documentation and security creation. Credit risk assessment and credit scoring models.</p> <p>Non-performing assets (NPAs) and their management.</p>	CO3, CO4	3
5	<p>Risk Management in Banking</p> <p>Types of risks in banking: Credit risk, market risk, operational risk, and liquidity risk.</p> <p>Risk mitigation techniques and tools.</p> <p>Role of internal and external audits in risk</p>	CO3, CO4	2

	management. Stress testing and scenario analysis.		
6	Technology in Banking Core banking solutions (CBS) and their importance. Digital banking: Internet banking, mobile banking, and digital wallets. Blockchain, artificial intelligence, and machine learning in banking. Cybersecurity challenges and solutions in banking.	CO3, CO4	3
7	Customer Relationship Management (CRM) in Banking Importance of CRM in banking. Tools and techniques for effective customer engagement. Cross-selling and up-selling strategies. Handling customer grievances and dispute resolution.	CO3	3
8	Treasury and Forex Operations. Functions of the treasury department in a bank. Forex operations: Spot transactions, forward contracts, and currency swaps. Managing foreign exchange risk. RBI guidelines on forex operations.	CO3, CO4, CO5	3
9	Emerging Trends in Banking. Fintech innovations and their impact on traditional banking. Open banking and API-based services. Green banking and sustainable finance. Role of commercial banks in financial inclusion	CO3, CO4	3
10	Financial Inclusion and Rural Banking Importance of financial inclusion in India. Role of regional rural banks (RRBs) and cooperative Government schemes for financial inclusion (e.g., PMJDY). Challenges and opportunities in rural banking banks.	CO3, CO4	3

11	International Banking Operations over view of international banking. Correspondent banking and trade finance. Foreign currency loans and international payment systems. Regulatory challenges in international banking.	CO3, CO4	2
12	Case studies on successful and failed banking operations. Role-playing exercises for loan processing and customer interaction. Analysis of real-world banking scenarios and problem- solving. Guest lectures by industry experts on contemporary banking issues.	CO4, CO5	2

Textbooks:

1. Commercial Bank Management, by Singh & Dutta
2. Digital Banking, ByIIB, Publisher -Taxmann Publications Pvt. Ltd.

Reference Books:

1. Indian Financial System, M. Y. Khan, McGraw Hill Education, 11th Edition
2. Banking Theory and Practice – K.C. Shekhar & Lekshmy Shekhar, S. Chand Publishing, 23rd Revised Edition
3. Principles and Practices of Banking – Indian Institute of Banking and Finance, Macmillan Publishers India, 3rd Edition
4. Commercial Banking in India – Nitin Bhasin, New Century Publications